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German Center of Gravity Is Shifting Eastward

By William Drozdiak
Washington Post Service

BERLIN — The imminent expansion of NATO and the European Union toward the east portends a shift in the Continent's center of gravity that is prompting a dramatic reassessment of Germany's strategic interests, according to business, government and academic leaders.

While Europe's painful struggle to achieve a single currency still grabs the headlines, a subtle change in perspective is taking over Germany's boardrooms and policy-making councils: that future stability and prosperity depends not so much on closer partnership with France but rather on a more concentrated blend of diplomacy and investments in the east.

Germany's western neighbors have long feared a switch in focus when the capital of Europe's largest nation formally moves in 1999 from Bonn to Berlin.

The geographic transfer from a small town near the Belgian-French border to a Central European metropolis just 88 kilometers (55 miles) from Poland is more than symbolic. Many Germans believe it may change the character of their country.

But a combination of political and economic factors is accelerating the process. When Germany looks at its western neighbors, it sees anxiety about joblessness, and skepticism about any ambitious moves toward political unity. But in the east, German businessmen see cheap labor and booming markets, and German political leadership is welcomed with surprising enthusiasm.

Chancellor Helmut Kohl's early call for the Czech Republic, Hungary and Poland to become members of the North Atlantic Treaty Organization and the European Union by the year 2000 has made him the most popular foreign politician in those countries.

Mr. Kohl's push was motivated not just by generosity but by national interest: By extending NATO's security domain to the east, Mr. Kohl ensured that Germany, for the first time in history, would have friendly relations with all nine of its immediate neighbors.

The EU's expansion plans include the same three countries plus Estonia and Slovenia, which will fulfill a goal of German diplomacy to extend Europe's zone of tranquillity toward the Balkan region, the Baltic states and other parts of the former Soviet Union.

As he welcomed President Aleksander Kwasniewski of Poland to Germany last week, Mr. Kohl again gave a personal commitment to bring Poland and Germany's other eastern neighbors into the European Union as soon as possible in spite of enormous obstacles that hinder their membership prospects.

"Poland is without doubt a part of Europe," Mr. Kohl said. "But an even more important point is that one must realize that without Poland, the European Union is nothing but an incomplete torso."

While promoting Germany's connections through Central and Eastern Europe, Mr. Kohl has taken pains to cultivate warm ties with President Boris Yeltsin of Russia. At their last meet-

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Third Reich Lite: A TV Laugh

By Alan Cowell
New York Times Service

BERLIN — Burdened by decades of guilt, Germans are understandably reluctant to mine their past for laughs. So it's surprising, to say the least, that each evening at 6:30 the ratings jump by 50 percent on the Munich-based Cable One network, as up to 840,000 Germans tune in to "Hogan's Heroes," the American prisoner-of-war sitcom that even some Americans criticized as insensitive to World War II horrors when it was first broadcast in the 1960s.

Here, writ large in this comedy of caricatures, are the gray and black uniforms of the Hitler era, the barbed wire and the wooden huts of a prison camp — totems that usually evoke feelings of shame mixed with revulsion in Germans. So what's the joke?

"It's very simple," said Josef Joffe, a

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Hope Flares in Ulster As IRA Truce Begins

British Strive to Keep Protestants In Talks When Sinn Fein Returns

Compiled by Our Staff From Dispatches

BELFAST — A new IRA cease-fire took effect Sunday in Northern Ireland, giving the divided people there another taste of peace and also many new uncertainties.

Britain, Ireland and the United States said the cease-fire, announced Saturday, opened the prospect of fresh start for the troubled province.

After assuring Sinn Fein leaders that they could join other parties in those negotiations within six weeks of a cease-fire, the British government of Prime Minister Tony Blair must persuade the biggest Protestant party, the Ulster Unionists, to stay at the table.

David Trimble, head of the Ulster Unionist Party, planned talks with Mr. Blair on Monday to determine whether his group would pull out of the peace talks if Sinn Fein joined.

Mr. Trimble made no public comment. But spokesmen for the Ulster Unionists and leaders of the smaller Democratic Unionist Party said the Irish Republican Army cease-fire was purely cosmetic because the insurgents would not have to hand over a single weapon.

"Unless we get disarmament, unless we get people committed to consent, we cannot expect that this is going to be other than the farce it was two years ago," Ken Maginnis of the Ulster Unionist Party said.

But three Irish newspapers, each quoting unidentified IRA sources, said the commanders would withdraw the new truce, officially open-ended, after four months if there was not sufficient progress in negotiations on Northern Ireland's future.

Gerry Adams, the president of Sinn Fein, the IRA's political wing, condemned the reports and suggested that the British secret services were seeking to undermine the peace efforts.

Mr. Adams told the CNN television network: "Those in the British secret service and the intelligence services, those who want to treat this problem as a security problem have an agenda which is about destabilizing this cessation."

The peace talks, which began 13 months ago and made virtually no progress, are intended to work out a political settlement of the sectarian warfare that has killed more then 3,200 people since 1969.

The Roman Catholic minority of about 43 percent wants more political power and closer ties with the Irish Republic.

The Protestant majority wants to remain British, fearing ultimate absorption into the Irish Republic, which is overwhelmingly Catholic.

The IRA, which is estimated to have about 300 active members, is thought to be responsible for more than half of the deaths in the strife. *(Reuters, AP)*

Peaceful Moment in Belfast

James F. Clarity of The New York Times reported from Belfast:

As the new cease-fire went into effect, hundreds of Belfast citizens, Roman Catholics and Protestants, strolled

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Texan Takes Charge To Win British Open

Justin Leonard, who started the day five shots off the lead, charged past Jesper Parnevik of Sweden over the last three holes Sunday to win the British Open by three strokes.

Leonard, a Texan, pictured at right, birdied the 16th to go ahead and rolled in a 35-foot putt at the 17th. He shot a 6-under-par final round of 65 for 12-under-par, a four-round total of 272 and a winner's check of $420,000.

Parnevik made 73 and tied for second with Darren Clarke of Northern Ireland at 275.

Leonard follows John Daly (1995) and Tom Lehman (1996) as American winners of the Open, and Arnold Palmer, Tom Weiskopf, Tom Watson and Mark Calcavecchia as consecutive U.S. winners of Opens held at Troon, a links course in southwest Scotland.

Tiger Woods shot 64 in the third round and 74 in the final round to finish with a four-round total of 284 and a share of 24th place. *Articles, Page 20.*



Ian Waldie/Reuters

CIA at 50: Prisoner Of History

By Tim Weiner
New York Times Service

WASHINGTON — On July 26, 1947, with memories of the surprise attack on Pearl Harbor still fresh and fear of a Cold War rising, President Harry Truman signed the law that gave birth to the Central Intelligence Agency. Fifty years on, the elite CIA has become a pariah in American culture, a prisoner of its public history as a spy agency.

The evil that spooks do lives after them; the good is interred by secrecy. The agency insists that it has scored dazzling successes over the decades, but prefers not to discuss them. So people remember the Mafia hit men hired to kill Fidel Castro, the coups gone bad, the rebel groups seduced and abandoned, the drunken scoundrel Aldrich Ames.

Now, in sadness and anger, several of the men who led the agency through the Cold War are saying that the CIA's heart itself is failing, that its clandestine service to the nation may be nearing the end of its useful life.

The agency has been on a losing streak ever since it won the Cold War. Its last two directors, R. James Woolsey Jr. and John Deutch, blamed "the culture of the CIA," which in victory lost its élan.

"The collapse of our enemy," said Milt Bearden, the agency's last chief of Soviet operations, "ensured our own demise."

James Schlesinger, another former director of Central Intelligence, said, "The trust that was reposed in the CIA has faded." The spy service, he said, "is now so battered that its utility for espionage is subject to question."

Admiral Stansfield Turner, the agency's director from 1977 to 1981, said the nation has to build a new clandestine service from the ground up, outside the CIA.

Duane Clarridge, a legendarily brash covert operator, wrote in a new memoir that the CIA "is finished as a really effective intelligence service."

The CIA, Mr. Clarridge wrote, "will be reinvented or restored to competency only after some appalling catastrophe befalls us," perhaps another Pearl Harbor.

The Japanese attack was predictable. But no one had pulled the facts together. The idea of the CIA, said, Richard Helms, director of Central Intelligence from 1966 to 1973, "was that we've got to get an organization where analysts could look at everything from overseas, no matter how secret.

"The agency was created to analyze intelligence, not for covert action," Mr. Helms said. "It was no one's intention that the agency should become identified with nothing but espionage."

In 1948, the year after the CIA's founding, another new agency, the National Security Council, set up a clandestine service to fight fire with fire — to counter what it called the "vicious covert activities" of the Soviet Union with propaganda, economic warfare, sabotage, subversion and secret support for resistance groups. There was nowhere to hide that secret organization but the newborn CIA.

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ASEAN Is Set To Bar Entry Of Cambodia

By Michael Richardson
International Herald Tribune

SINGAPORE — Stung by an abrupt rejection of its mediation effort in Cambodia, the Association of South East Asian Nations is expected to extend its indefinite delay of Cambodia's entry into the group at a meeting later this week, officials said Sunday.

They said the decision would also be influenced by any further reports of torture of political opponents and other human-rights abuses by the government of Second Prime Minister Hun Sen.

The continued diplomatic isolation of Cambodia by its neighbors is likely to help the United States as it seeks to increase international pressure on Phnom Penh to make political concessions, analysts said.

Stephen Solarz, the U.S. special envoy to Cambodia who is visiting Asian countries for talks on a possible common approach to the crisis, has already called on donors to use their aid to Cambodia as leverage to bring about political reforms.

In an interview Sunday, the ousted Cambodian first prime minister, Prince Norodom Ranariddh, said that such an approach could yield results because more than 60 percent of the country's budget came from aid money. Page 4.

Some ASEAN countries, including Vietnam and Malaysia, were reported to be seeking an early reversal of the group's decision July 10 to delay Cambodia's entry in protest at the use of force by the Hun Sen regime.

But with ASEAN's "credibility and clout on the line because of Hun Sen's snub, we cannot possibly afford to legitimize the Phnom Penh regime now by accepting it as a member," an official of the group said Sunday.

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AGENDA

Threat of Flood Puts Germany on Alert

FRANKFURT AN DER ODER, Germany (AFP) — The German authorities declared a state of maximum alert Sunday after a sharp rise in the level of the Oder River threatened to flood the eastern German plain.

Officials in Brandenburg State were preparing to carry out further evacuations as the swollen Oder, which marks the German-Polish border, continued to rise following heavy rains. Its level was expected to rise further over the next few days, officials said.

Hundreds were evacuated in Poland and the Czech Republic as rivers burst their banks, local authorities said.

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Anti-Taleban Forces Take Strategic Town

Opposition forces in Afghanistan wrested from the Taleban a major town north of Kabul, both sides said Sunday.

The opposition said its fighters took the strategic town of Charikar, and also claimed it had captured the Bagram air base, killing 500 Taleban fighters in the process. The infantry attacks were accompanied by the bombing of Kabul by opposition planes. In one of four raids, eight civilians were reported killed. Page 4.

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The IHT on-line http://www.iht.com

Is Stock Drop in Brazil A Grim Economic Omen?

By Anthony Faiola
Washington Post Service

SAO PAULO — The frantic Sao Paulo Stock Exchange has been a stellar example of Latin America's "economic miracle," growing faster this year than almost any other stock exchange worldwide.

But its wild ride veered off course last week as jittery investors sent the key index tumbling 16 percent, fearing the miracle might be too good to be true.

This drop on the most important Latin American stock exchange caused a "samba effect" as markets fell from Mexico City to Buenos Aires. The declines came on the heels of a growing currency crisis in Asia, and some feared the same might happen here. Investors saw it as a perfect time to cash in their chips after an extraordinary year of gains that reached 89 percent only a week ago.

But even after President Fernando Henrique Cardoso denied rumors of a devaluation, stocks continued to drop as foreign investors took a closer look at cracks in the liberal economic reforms in Brazil and the rest of the Latin America in the 1990s.

To bolster their economies, countries across Latin America have been cutting the size of national governments and privatizing uncompetitive state-run industries. While sparking economic growth, as intended, the transition has left millions of state workers without jobs, and critics say the changes have benefited mainly the wealthy.

Brazil and Argentina have pegged their currencies to the U.S. dollar, eliminating hyperinflation but causing their currencies to be overvalued, making the average cost of living in cities such as Sao Paulo and Buenos Aires higher than in the most expensive U.S. cities.

In Brazil, foreign investors are worried that it is taking too long to reduce the size of government and develop a

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Keeping Cool in the Pressure Cooker of Space

By Kathy Sawyer
Washington Post Service

WASHINGTON — The plague of miseries afflicting the crew of Mir seems beyond hellish — a 14-minute blowtorch of a fire, collision and decompression, power failures — all in cramped confinement in hostile territory 200 miles above Earth.

Still, the old mystique of the "right stuff" is so ingrained in public perceptions that some observers are shocked when astronauts, or cosmonauts, show anything but stiff-upper-lipped stoicism. For others, though, the miracle is that so many men and women do soldier on, speaking publicly in cheery pleasantries, under such seemingly cruel and unusual conditions.

Not long after a cargo vessel rammed the Russian space station Mir last month and punctured the U.S. astronaut Michael Foale's living and working quarters, for example, the astrophysicist sounded, in his radio communications, like an upbeat college kid phoning home.

Mir repair mission to be postponed. Page 6. • Excitement lies ahead for the space program. Page 10.



Agence France-Presse

Mr. Foale, left, Alexander Lazutkin, center, and Mr. Tsibliyev on Mir.

The Russian commander Vasili Tsibliyev, who has been there longer and carried more responsibility, is still functioning, although he is, by all accounts, an exhausted wreck.

How can these people stand it?

To begin with, space programs tend to weed out early the loners, the unstable, the claustrophobic. Those who make it are the overachieving team players: They can get along with others for long periods in cramped quarters, cope well with stress and sustain a high level of competence day in, day out, experts say.

Still, they are fallible.

"They're like you and me," said Frank Hughes, chief of the space flight training division at the National Aeronautics and Space Administration's Johnson Space Center.

When it comes to extreme tensions and demands, "they don't cope with it very well," he said.

"These are pretty tough-minded individuals," he added. "But we have not found ways to offset those stresses."

Mr. Hughes and others recounted various U.S. and Russian space missions that have experienced accidents, close calls, near-fatal foul-ups, mutinous crew members complaining of overwork, a switch left in the wrong position and two cases where health problems — a heart ailment in one, a nervous breakdown in another — required crews to return to Earth ahead of schedule.

For example, the third crew of the U.S. prototype space station Skylab virtually mutinied in the 1970s because of what they considered an unreasonable workload, Mr. Hughes recalled. "They said, 'You're killing us!' and took the day off."

Astronauts and cosmonauts go through intense, exhaustive, repetitious training before they ever reach orbit. The training sessions, called simulations, bring the ground teams and flight crews together for many hours for realistic dress rehearsals. They do this repeatedly, while creative flight experts throw every size and type of emergency at them and monitor their reactions.

"Training for a flight is substantially more stressful than the flight itself," said John Fabian, a former U.S.

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Dln
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

Managing Time / **U.S. Seen as 'Miles Ahead'**

Heading for the 24-Hour Business Day

By Linton Weeks
Washington Post Service

WASHINGTON — At 1:30 on a Wednesday morning, shoppers prowl the aisles of a Virginia Wal-Mart. John Fleener, 37, a photographer, seeks allergy relief. Robert Owen, 31, after a shift delivering pizzas, cradles four bottles of apple cider. Denise Cooper, 34, tucks boxes of toothpaste into her basket. "I like to shop this late," she says. "You don't have to worry about anybody."

An hour later at a Maryland Kinko's business services center, John Thompson and his wife, Andrea, rework a presentation they will make at their church. Twenty-odd customers are in the shop. "A lot of people do their day work here at night," says Roger Sindelar, the night manager.

Across the country, people are dialing away in the wee hours to order freesia from 1-800-FLOWERS, silk teddies from Victoria's Secret, canoes from L.L. Bean. They are paying bills, planning trips and buying and selling stock on the Internet. As Ernest Hemingway told Lillian Ross, "Time is the least thing we have of."

Americans are finding ways to make of it the most.

"Compared to Europe, the U.S. is miles ahead in mining the economic value of time," said L. Michael Hager, director of the International Development Law Institute in Rome, who studies time as an economic resource.

He cited two reasons: fewer legal restrictions on business hours than in Europe and the higher European social-welfare costs, which create a disincentive to hiring new employees for night shifts.

"European traditions also thwart change," Mr. Hager said. "For example, much of the small business in Italy is family-owned and operated. Extending hours means going outside the family for labor, which is not the norm. America, on the other hand, is synonymous with new ideas, entrepreneurship and business competition."

For example: Ernesto Tey, 23, an employee at Speedware USA in San Ramon, California, is a fitness buff and likes to pump iron after midnight. "In a hectic and stressful day," he says, "knowing I can work out either early in the morning or late at night makes it that much easier to stay in shape." He frequents 24 Hour Fitness, which offers around-the-clock gym facilities for weekday workouts throughout the western United States.

In St. Paul, Minnesota, customers of Highgrove Community Federal Credit Union can call a phone number day or night to apply for a loan. In many cases, the credit union says, applicants are given a decision within an hour.

For the last three years, Columbia Presbyterian Medical Center in New York has kept its computer room — with 16 or so terminals — open all the time for night-owl medical students to do their research.

Sharon Williams of Baltimore founded a full-service secretarial support company in 1990 called the 24-Hour Secretary. A client called at 3 A.M. recently and said he needed a report by 7 A.M. He dictated, and the report was e-mailed by the deadline, spell-checked and professionally formatted.

The Internet has opened up all kinds of possibilities for 24-hour activity.

North Olmsted, Ohio, offers its residents a 24-hour town hall. "Everything you've always wanted to know about your government is now right at your fingertips," reads the home page. Visitors can find building permit forms, information on city services and a schedule of events.

The 24 Hour Mall brings together more than two dozen stores — including the Nashville Boot Co. and From Nebraska gift shop — for dawn-to-dawn shopping.

Mr. Sindelar, the Kinko night manager, put it this way: "The United States is not used to waiting. In Europe, they queue up. Here, they don't."

"In city life in Japan, time is very important," says Yoshio Hotta, a Japanese journalist in Washington. "But it is not like in America. Our 7-Eleven stores are closed at night. So are our ATM machines. If you want to draw cash at night, you cannot do so.

AMERICANS used to wait inside the bank. Enterprising banks extended their hours and built drive-through branches that stayed open later. In the 24-hour society, the banking industry is encouraging customers to use what it refers to as "different delivery channels" to move money around the clock.

More than 140,000 automated teller machines dot the U.S. map. Internet banking is available from about 90 percent of the country's 300 major banks, according to American Banker, a trade publication. And more banking is done, at all hours, by telephone.

Talking over a speaker phone, James Moore's voice sounds strange, like the flat, atonal simulated speech of a computerized teller.

"The whole intent to developing these channels was greater convenience for the customer," the finance industry analyst said, although remote banking is also cheaper for the bank. "The result has been somewhat unexpected. As we proliferated these alternative channels, customers used them in unprecedented volumes. We increased the convenience of these transactions, thinking that as a result we would drive transactions out of the branches. But we didn't decrease the real volume of over-the-counter transaction."

Bell Atlantic is so convinced that more people are doing business at all hours, the telephone company has opened a 24-hour customer service center.

Other kinds of round-the-clock telephone services proliferate: Flower sales. Counseling services. Sex chat lines. A Geico insurance ad, for example, encourages anyone, anywhere — with "15 minutes to kill" — to pick up the phone any time, day or night, and ask questions about the company's rates and services.

"What we've seen is a pretty fair increase in calls that come between 10 P.M. and 6 in the morning in all time zones in the past three to five years," said Bill Roberts, senior vice president for Geico Insurance Co. in the Bethesda-Chevy Chase office. "There's been a sizable increase."

"We get calls all through the night," he said. "You've got two-income households that just can't do things between normal business hours. They've put kids to bed, that's the time they're settling down to pay their bills. It's convenient for them."

"We're in a world that almost never stops," said Kinko's Mr. Sindelar. "People hardly ever sleep." During his 11:30 P.M.-to-9 A.M. shift, he said, about 100 to 300 people will pass through — people wanting everything from birth announcements to funeral programs. "Everyone's under an enormous amount of stress and strain," he said. People used to wait for what they wanted, "but that attitude's changed."

AND SO the trend evolved — from 7-Elevens to all-night diners, grocery stores and drugstores to office-supply stores and discount super-stores.

Mr. Moore may be right when he says that there are some things people won't do on computers. But there are plenty of things they will do, and with the Internet, they can do them when they want to.

All Things Delivered, a Bethesda company, found that out several months ago when it launched its Internet site. "Shop on-line for groceries delivered to your door" read the home page.

"Fifty percent of all our orders come in between 8 P.M. and 7 A.M.," said Hans Wydler, vice president of marketing. Internet orders received by 7:30 A.M. are delivered the same day.

Most of the customers are "convenience-driven," said Mr. Wydler. "We are dealing with folks who have no time."

In the small hours at the Virginia Wal-Mart, Eva Shorts, 43, a cellular phone supplier, and her son Robert, 22, wheeled a basket up and down the aisle. "We're night people," she explained. "If there were other stores open, I'd go to them, too."



Chris Stanford/The Washington Post

'We're in a world that almost never stops,' says Roger Sindelar, night manager at a Kinko's business services center in Maryland. People used to be willing to wait, 'but that attitude's changed.'

Sir James Goldsmith, 64, A Brash Financier, Dies

High Flier, With 3 Families, Made Billions

By Youssef M. Ibrahim
New York Times Service

LONDON — Sir James Goldsmith, 64, a flamboyant British-French financier who maintained three families, homes in four countries and used his billions to fight the European Union, died of a heart attack Friday in Spain, a spokesman said.

Sir James, who had battled pancreatic cancer for four years, made his fortune as a corporate raider before turning to politics. He formed his own Referendum Party in Britain with the single mission of combating further integration with Europe.

Although the party polled more than 800,000 votes in the British elections in May, it did not win a single seat in the House of Commons.

Born into a prosperous banking family, Sir James went on to amass a personal fortune estimated at up to $2.5 billion. Having frequented luxurious hotels in his youth, he briefly flirted with the idea of working in one, but soon turned to finance, excelling in the art of taking over troubled companies.

He was a brilliant investor of his profits too, and accurately forecast the American stock market crash of 1987, turning his assets into cash just before the market plunged.

"I am, if you like, a Cassandra," he once said. "I have always looked at the downside because the upside looks after itself."

His personal life was no less eventful. He had children by several women, and openly maintained three families.

He had homes in London, Paris and Bordeaux in France, Spain and an 18,000-acre estate on the Pacific coast of Mexico.

In a week, he might have spend the weekend with his former wife, Ginette, a French woman who lives with the couple's two children in Paris, and then stay during the week in London with his British spouse, Lady Annabel Birley, who bore him two children. She was at his bedside when he died.

A third companion, Laura Bouley de la Meurthe, a French journalist, has two children by Sir James.

James Michael Goldsmith was born on Feb. 26, 1933, in Paris to a Catholic French mother and a German Jewish father who moved to Britain and served as a Conservative member of Parliament.

He attended Eton, but left to start his business career in his late teens as a salesman of electrical plugs and pharmaceutical products in France.

A tall man with striking blue eyes, Sir James, who had duel British-French nationality, eloped at 20 with Isabel Patino, daughter of a Bolivian tin mining magnate, and married her despite fierce opposition from her family.

The episode ended tragically when she died in childbirth months later, though the baby was saved. During his second marriage, to Ginette Lery, Sir James openly kept an aristocratic mistress in London, Lady Annabel Vane Tempest Stewart, marrying her after his marriage to Ms. Lery ended.

But by the 1990s, there was already a third woman in his life, Ms. de la Meurthe, with whom he shared his estate in Mexico and his home in Paris.

In the 1960s, he branched into food products and acquired companies like Bovril, and his Cavenham Food group, which included cookies, chocolate and jams, eventually became the third-largest in the world.

By the start of the 1970s he had the put together a war chest of money to start the beginning of his takeovers, identifying weak firms and dismembering them into more salable assets.

He was known for buying into companies, selling the stock quickly and reaping the profits. He once said his motto was, "If you see a bandwagon, it's too late."

In the United States, he was best known for his 1986 raid on Goodyear Tire and Rubber Co., which became an issue in congressional hearings on takeovers.

As Sir James' fame rose, he became a frequent target of Private Eye, the British satirical magazine, which referred to him as "Sir Jams." He filed 63 suits against the publication.

But his attempts to occupy a position in the world of newspaper publishing never panned out. And his ventures into British politics were no more successful. In the British elections in May, Sir James won only 1,500 votes in the London constituency of Putney.



Agence France-Presse

Sir James in Ham, Surrey, after voting in the British elections May 1.

But his determination was such that he spent some $37 million to put up more than 500 candidates in the election with the sole aim of forcing a referendum on Britain's future in the European Union, which he viewed as a German-dominated threat to Britain's sovereignty.

He was knighted by Britain in 1976 and made a knight of the Legion of Honor by France in 1978.

Robert Weaver, 89, the first secretary of Housing and Urban Development in the United States and the first black person to head a cabinet agency, as well as one of the architects of President Lyndon Johnson's Great Society, died Thursday in his sleep at his home in Manhattan.

Eugene Shoemaker, 69, an astronomer and geologist who was a co-discoverer of the Shoemaker-Levy 9 comet that collided with Jupiter in 1994, was killed Friday in a traffic accident near Alice Springs, Australia.

Daniel Sargent, 72, the founder of the corporate finance department of Salomon Brothers and later a managing director of the firm and head of its credit and business practice committee, died Thursday at his home in North Salem, New York. He had been suffering from pancreatic cancer.

TRAVEL UPDATE

British Airways Says It's Ready

LONDON (Reuters) — British Airways says it expects that 95 percent of its flights worldwide will operate Monday, as staff continued to trickle back to work more than a week after a cabin crew strike.

A BA spokesman said about 150 flight attendants a day were returning from sick leave since the strike ended July 11, but 1,200 were still out sick — twice the number normally expected at this time of year.

Services out of Garwick airport were already back to normal, and the airline said it planned to operate all but a handful of flights from Heathrow. Nearly 2,000 cabin crew registered for sick leave last week. This meant only 313 staff were registered as being on strike.

More Singapore-India Flights

SINGAPORE (Bloomberg) — Singapore and India agreed to expand the frequency of airplane flights between the two countries by 40 percent over three years, Singapore's Civil Aviation Authority announced.

The agreement will allow for more passenger and freight traffic, though a breakdown between the two wasn't available, said a public relations officer for the agency. The new capacity is equal to about six round-trip Boeing 747 flights a week.

Airlines in both countries will also cooperate in code sharing, a type of marketing arrangement.

Railroads Are Eclipsed in China

BEIJING (AFP) — Expanding road and air transport links are continuing to scale back the once-dominant role of railroads in China, the official Xinhua news agency said Sunday.

The latest figures from the State Statistics Bureau showed railroad passenger traffic volume during the first five months of the year fell 3.8 percent to 386 million people, compared with the same period in 1996, Xinhua reported.

Meanwhile, motor vehicles transported 1.65 billion travelers, increasing by 6.7 percent, and civil aviation took 22.67 million, showing a 5.5 percent growth.

Overall passenger travel rose 4.3 percent during the period.

China Southern Airlines has opened the first direct flights between the city of Guangzhou in southern China and North America. *(AFP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and territories this week because of national and religious holidays:

MONDAY: Belgium, Botswana, Japan, Puerto Rico, Thailand
TUESDAY: Afghanistan, Botswana, Gambia, Israel, Swaziland
WEDNESDAY: Egypt, Libya
THURSDAY: Venezuela
FRIDAY: Bhutan, Costa Rica, Cuba, Equatorial Guinea, Israel, Liberia, Puerto Rico, Tunisia
SATURDAY: Cuba, Liberia, Maldives

Sources: J.P. Morgan, Reuters, Bloomberg

Ship Freed From Greek Beach

Agence France-Presse

ATHENS — A cruise ship with 2,000 passengers and crew that ran aground on a Greek island was hauled off by tugs and continued toward Venice, Greek officials said Sunday.

The Costa Classica was blown onto a beach late Saturday close to the port of Kapsali after its anchors broke loose from the seabed, officials said.

The Liberian-registered ship was carrying 1,513 passengers — mostly Americans — and a crew of 544. No one was injured in the incident.

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WEATHER

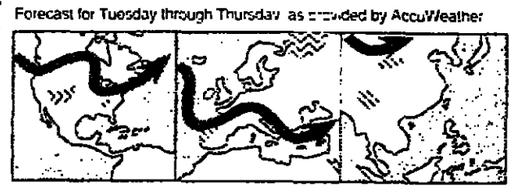
Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Amsterdam	21/70	13/55 r	21/70	11/52 sh
Ankara	36/96	21/70 s	36/97	19/66 pc
Athens	37/99	23/73 s	37/99	24/75 pc
Barcelona	31/88	17/63 pc	30/86	19/66 pc
Belgrade	28/82	16/61 s	29/84	17/63 pc
Berlin	23/73	14/57 c	23/73	15/59 pc
Brussels	21/70	12/53 c	21/70	13/55 pc
Budapest	28/82	15/59 c	27/80	17/63 pc
Copenhagen	23/73	14/57 s	23/73	15/59 pc
Costa Del Sol	28/82	16/61 s	28/82	18/64 s
Dublin	19/66	10/50 pc	18/64	10/50 pc
Edinburgh	17/63	10/50 c	20/68	11/52 pc
Florence	33/91	19/66 s	31/88	19/66 s
Frankfurt	24/75	14/57 sh	25/77	15/59 pc
Geneva	31/88	16/61 s	30/86	17/63 pc
Helsinki	23/73	15/59 s	24/75	14/57 c
Istanbul	33/91	19/66 s	33/91	19/66 pc
Kiev	23/73	10/50 s	24/75	14/57 c
Las Palmas	28/82	21/70 s	28/82	21/70 s
Lisbon	26/79	17/63 pc	26/79	16/61 pc
London	22/71	12/53 s	21/70	11/52 pc
Madrid	31/88	16/61 sh	30/86	16/61 sh
Malaga	31/88	19/66 pc	28/82	20/68 pc
Milan	29/84	18/64 s	30/86	19/66 pc
Moscow	25/77	13/55 pc	26/79	13/55 pc
Munich	26/79	12/53 c	21/70	14/57 c
Nice	29/84	17/63 pc	26/79	21/70 pc
Oslo	14/57	13/55 s	23/73	13/55 pc
Paris	23/73	11/52 s	23/73	12/53 pc
Prague	19/66	14/57 r	23/73	13/55 r
Reykjavik	15/59	11/52 sh	16/61	13/55 c
Riga	25/77	16/61 pc	25/77	16/61 pc
Rome	35/95	17/63 s	28/82	19/66 pc
St Petersburg	25/77	13/55 pc	23/73	14/57 pc
Stockholm	22/71	14/57 pc	23/73	14/57 pc
Strasbourg	19/66	16/61 sh	23/73	14/57 s
Tallinn	24/75	14/57 s	25/77	15/59 pc
Tbilisi	31/88	17/63 pc	28/82	18/64 pc
Vienna	26/79	16/61 s	28/82	19/66 pc
Warsaw	24/75	15/59 r	26/79	15/59 pc
Zurich	27/80	13/55 r	21/70	15/59 pc

Middle East

Abu Dhabi	37/98	28/82 s	37/98	28/82 sh
Beirut	33/91	23/73 s	26/84	20/71 pc
Cairo	37/99	23/73 s	39/102	22/71 pc
Damascus	32/89	18/64 s	31/88	16/61 s
Jerusalem	29/84	17/63 s	29/84	18/64 s
Luxor	43/109	20/68 s	42/107	23/73 s
Riyadh	41/106	25/77 s	42/107	26/84 s

Forecast for Tuesday through Thursday as provided by AccuWeather



North America
The remains of Hurricane Danny may spread heavy rain northward along the Appalachians as far as West Virginia Tuesday, etc. Thursday. Sunny. Hot weather will continue from the Southwest to the southern and central Plains. Humid with showers and thunderstorms in the Northeast.

Europe
Tuesday and Wednesday will be partly sunny and pleasant in London and Paris, but it may be showers and thunderstorm Wednesday night or Thursday. Heat will be from Scotland and Denmark to Spain. Showers and thunderstorms possible in northern Spain and Portugal. Sunny and pleasant in Rome and Athens.

Asia
Sunny and very warm to hot in Beijing Tuesday, etc. Thursday. Cool Mongolia and warm Korea. Seoul will be warm and humid with the chance for thunderstorms. Partly sunny, steamy, and hot in Tokyo. Warm and showery in Hong Kong.

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	18/64	12/53 r	19/66	13/55 r
Atlanta	31/88	22/71 t	32/89	23/73 t
Boston	28/82	17/63 pc	29/84	17/63 pc
Chicago	27/80	17/63 t	28/82	17/63 pc
Dallas	34/93	24/75 pc	32/89	24/75 pc
Denver	31/88	19/66 pc	31/88	17/63 pc
Detroit	28/82	17/63 pc	27/80	16/61 pc
Honolulu	30/86	25/77 pc	30/86	25/77 pc
Houston	35/95	23/73 pc	34/93	24/75 pc
Los Angeles	29/84	16/61 s	27/80	17/63 pc
Miami	32/89	26/79 pc	32/89	26/79 pc
Minneapolis	26/79	16/61 t	27/80	17/63 t
New York	28/82	20/68 pc	29/84	20/68 pc
Philadelphia	30/86	21/70 pc	31/88	21/70 pc
Phoenix	41/106	29/84 s	41/106	29/84 s
San Francisco	21/70	13/55 pc	21/70	13/55 pc
Seattle	23/73	14/57 pc	23/73	14/57 pc
Washington, DC	31/88	21/70 pc	31/88	21/70 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Amur	30/95	16/61 s	34/93	18/64 s
Bali	29/84	26/79 pc	30/86	31/70 pc
Bangkok	32/89	26/79 c	33/91	26/79 pc
Beijing	36/97	23/73 pc	35/97	21/70 pc
Bombay	29/84	25/77 r	28/82	25/77 c
Calcutta	31/88	25/77 t	30/86	25/77 c
Chiang Mai	33/91	24/75 s	33/91	24/75 pc
Colombo	31/88	26/79 pc	30/86	25/77 pc
Hanoi	36/99	25/77 pc	31/88	25/77 pc
Ho Chi Minh	32/89	24/75 t	32/89	24/75 t
Hong Kong	29/84	28/82 pc	28/82	23/73 pc
Islamabad	41/106	28/82 pc	39/102	26/79 t
Jakarta	29/84	23/73 s	31/88	23/73 pc
Karachi	33/91	26/79 pc	33/91	26/79 pc
K. Lumpur	32/89	23/73 sh	32/89	24/75 t
K. Kinabalu	29/84	22/71 c	31/88	22/71 pc
Manila	34/93	23/73 sh	31/88	24/75 pc
New Delhi	34/93	26/79 sh	34/93	26/79 sh
Phnom Penh	33/91	24/75 t	32/89	24/75 sh
Pusan	30/86	26/79 c	33/91	26/79 pc
Rangoon	32/89	26/79 c	33/91	26/79 pc
Seoul	33/91	24/75 r	33/91	25/77 pc
Shanghai	33/91	24/75 pc	32/89	24/75 pc
Singapore	31/88	22/71 t	31/88	23/73 pc
Taipei	31/88	24/75 pc	31/88	24/75 pc
Tokyo	31/88	23/73 pc	28/82	24/75 pc
Vientiane	31/88	25/77 pc	31/88	24/75 pc

Africa

Algiers	25/80	22/68 sh	33/91	21/70 pc
Cape Town	18/64	8/46 s	19/66	8/46 s
Casablanca	23/73	16/61 s	22/71	16/64 pc
Harare	24/75	11/52 s	24/75	14/57 s
Lagos	27/80	22/71 sh	27/80	22/73 pc
Nairobi	23/73	12/53 c	24/75	12/53 pc
Tunis	32/89	23/73 pc	36/97	23/73 pc

Latin America

Buenos Aires	15/59	6/43 pc	18/64	3/48 pc
Caracas	31/88	23/73 c	31/88	25/77 pc
Lima	18/64	15/59 c	17/63	16/64 pc
Mexico City	26/79	16/61 pc	25/77	14/57 pc
Rio de Janeiro	24/75	19/66 s	25/77	15/63 pc
Santiago	16/64	4/39 s	18/64	7/44 pc

Oceania

Auckland	11/52	8/46 sh	11/52	6/43 sh
Sydney	16/61	7/44 s	19/64	9/48 s

Legend: t=storm, pc=partly cloudy, c=cloudy, sh=showers, r=rain, sn=snow, s=sunny, W=Winter

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THE AMERICAS

Costly New U.S. Sub Has a Mission: Fighting the Budget Battle

By John Mintz
Washington Post Service

SEVEN HUNDRED FEET UNDER WATER OFF CAPE CANAVERAL, Florida — Standing in near-darkness lit only by a bank of flickering computer screens, Senior Chief Petty Officer Jeff Rowe of the U.S. Navy searched for words of praise for the high-tech sonar gear he oversees aboard the new Seawolf attack submarine.

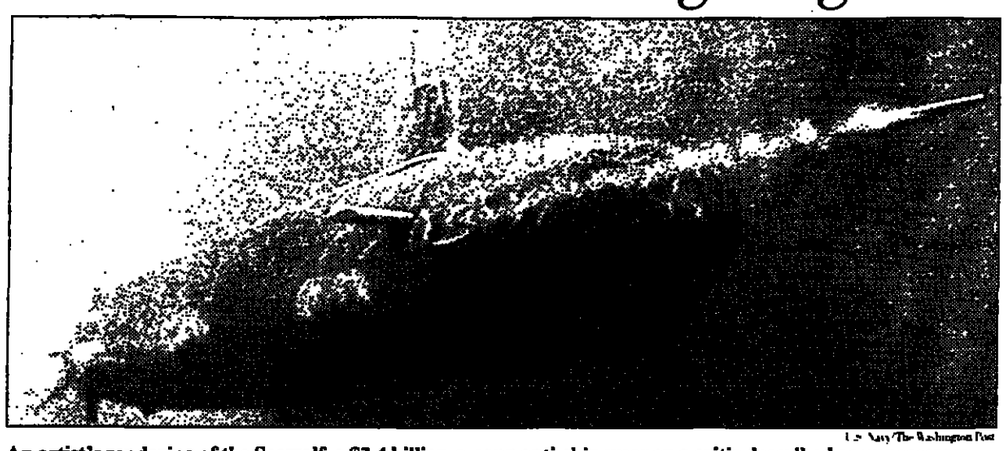
From miles away, the sonar lets Chief Rowe distinguish among the chatter of dolphins, a fishing trawler's propeller and the engine of a Russian Akula sub, he said.

"This is an incredible system, and although a lot of people complain about the cost of a Seawolf, I think it's worth every penny," said Chief Rowe, one of 138 crew members assigned to the first Seawolf sub, which is to enter navy service this month.

"Now, if we could just find somebody to fight with it."

It is a good summary of the navy's quandary as it held a ceremony at a Connecticut shipyard Saturday to mark the commissioning of the first Seawolf submarine in the U.S. fleet.

The navy says the Seawolf is "the world's fastest, quietest submarine," and many analysts maintain it is the most effective attack submarine ever built, a sub-killer that also can performing many types of highly specialized missions. But how, the navy wonders, can it rhapsodize about a $2.4 billion-a-copy anti-ship weapon that lost its military rationale with the Berlin Wall's fall and that even its sponsors say was needed mostly to save U.S. jobs?



U.S. Navy/The Washington Post

An artist's rendering of the Seawolf, a $2.4 billion-a-copy anti-ship weapon a critic described as unnecessary.

Critics say the Seawolf was discredited long ago and scoff at navy efforts to promote the new undersea boat.

"The Seawolf submarine was outrageously expensive and unnecessary," said retired Rear Admiral Eugene Carroll, deputy director of the liberal Center for Defense Information. "It is a scandal that ought to embarrass everybody. You can't market it."

Navy officials will tiptoe around these topics in honoring the USS Seawolf at the Electric Boat shipyard in Groton, Connecticut. But their real agenda is not justifying the Seawolf. It is talking up the need for yet another new class of undersea boats, called the New Attack Submarine. The 30 or so new subs are estimated to cost about $60 billion, including a $3 billion down payment in the fiscal 1998 budget now before Congress.

The Seawolf's commander, Captain David McCall, said his crew understood that its performance would help determine whether the navy's submarine operations gets the money its commanders want or loses it to its many rivals within the U.S. military — those promoting surface ships, naval aviation, air force jets, army tanks and more.

"The stakes are not lost on this crew," Captain McCall said last week in the Seawolf's "attack center," where torpedoes are launched with a touch on a computer screen. "We believe submarines are the most cost-effective platform for U.S. power projection."

The navy says the New Attack Sub program is militarily necessary because its 1970s-era Los Angeles-class subs are approaching retirement age. Navy officials said the United States still needed undersea weapons for what they call "multimission" operations. These include, besides attacking enemy ships, covert electronic intelligence-gathering from offshore, dropping spies and navy commandos onto foreign beaches and laying and detecting undersea mines.

The navy has carried out such missions, in "littoral" or "brown" water near land, in the past. But they are a far cry from the better-known mission assigned to navy subs during the Cold War, chasing Soviet submarines in the deep "blue water" ocean.

The navy also has a problem with promoting the new subs it wants. "Multimission" operations are highly classified, so, beyond describing them generally, navy officials provide no details.

Navy officials say the New Attack Submarines, at about $1.7 billion a copy, or two-thirds the price of this Seawolf, will be a relative bargain. "The New Attack Sub will be able to do most things Seawolf can do but be built on a budget," Captain McCall said.

Admirals are counting on the Seawolf's technological marvels to make the case for the New Attack Sub. To maintain stealth, every structure within it was designed to minimize sound and vibration.

A Seawolf is regarded as quieter cutting the waves at 25 knots than is a current Los Angeles-class sub tied up at a pier.

To ensure that the clanging of a dropped wrench does not travel through the water, the Seawolf's inner decks are not attached to the hull but rest on rubber mountings.

The boat's communications and electronics, enabled by 6 million lines of software code, are by far the most advanced of any sub's.

Stripped of its weapons, the Seawolf is essentially a massive computer stuffed inside a 9,000-ton cigar-shaped tube.

Funds Probe Fails to Get Proof of Plot

Known and Unknown In the Senate Hearings

By David E. Rosenbaum
New York Times Service

WASHINGTON — After two weeks of Senate hearings on campaign finance practices, it is fair, as the lawyers say, to stipulate the following:

- The Chinese government had a plan to try to influence the American election campaign last year.
- The Lippo Group, the financial conglomerate based in Indonesia, has a close business relationship with the Chinese government.
- The Riady family, which controls the Lippo Group, has long been a patron of President Bill Clinton.
- John Huang, who was Lippo's chief representative in the United States, was awarded a patronage position in the administration as a deputy assistant secretary of commerce not because of his expertise in trade matters but because he was a loyal fund-raiser for the Democratic Party and was personally sponsored by the president.
- Because of his position, Mr. Huang had access to classified information that would be useful to Lippo.
- During the 18 months he was at the Commerce Department, Mr. Huang regularly used a private office across the street from his official one, was often in contact with Lippo officials and frequently visited the White House.
- Both before and after his stay at Commerce, and perhaps during it, Mr. Huang was a prodigious fund-raiser who often skirted the law.

NEWS ANALYSIS

While those points were demonstrated incontrovertibly, the Republican senators and their staff investigators failed to prove their most important suspicions, which they never expressed explicitly but suggested obliquely: that Mr. Huang had been either a conduit for the Chinese government to pour money illegally into the Clinton re-election campaign, or an industrial spy for Lippo, or both.

In the case of the Chinese plot, the Republicans have been unable to prove that any of Beijing's money was actually put into any American campaign, much less the president's. As for Lippo's ties with China, Thomas Hampson, the expert witness who described the connection, was unable to say whether Chinese money was part of Lippo's enterprises in the United States or whether China Resources, the commercial arm of the Chinese government that does business with Lippo, had any activities in this country.

No evidence was offered showing that Mr. Huang had been hired by the Commerce Department in a way any different from the way hundreds of other patronage appointments have been made by this and other presidential administrations.

The Central Intelligence Agency officer who briefed Mr. Huang on classified matters testified that he had done so not at Mr. Huang's request but on the instructions of one of Mr. Huang's superiors. The CIA officer said he had no indication that the classified material had been misused.

As for the Republican hunch that Mr. Huang took classified documents to the private office across the street from the Commerce Department and copied them or faxed them to Lippo, the secretary in that office testified that she did not know whether Mr. Huang had ever used the copier or the fax machine.

So what the Republicans were left with was evidence that Mr. Huang might have broken laws by soliciting campaign contributions from abroad, laundering contributions as well and engaging in partisan politics while on the government payroll.

No testimony was offered showing that Mr. Huang had dealt in Chinese government money. And what was proved was a far cry from corroboration of the assertion by Senator Fred Thompson, the Tennessee Republican who heads of the Senate Governmental Affairs Committee, who in opening the hearings, declared that a Chinese plot "affected the 1996 presidential race."

Drug Charges By U.S. Help Mexican Win

By Mark Fineman
Los Angeles Times Service

AGUA PRIETA, Mexico — In the midst of the worst electoral showing in 68 years by Mexico's long-governing Institutional Revolutionary Party on July 6, Vicente Teran Uribe is a bright spot.

The landslide victory of the 41-year-old executive, who funded his own campaign for mayor of this border town, came despite a recent U.S. Drug Enforcement Administration report that named him as one of Mexico's 20 top narcotics traffickers.

And therein lies a good illustration of U.S.-Mexican border relations.

Mr. Teran's victory can be seen as a kind of referendum on Mexican feelings about the United States and its escalating drug-enforcement effort along the border. It also reflects a strong feeling by Mexicans that the United States, in its zeal to pressure Mexico to crack down on the multibillion-dollar cross-border drug trade, has gone too far toward meddling in Mexican politics.

In the aftermath of Mr. Teran's impressive victory — he won just over 50 percent of the vote in the field of four — the mayor-elect underscored the lingering bitterness that he, his supporters and much of the local population harbor for the big government just on the other side of the dilapidated chain-link fence that runs between Douglas, Arizona and Agua Prieta.

Mr. Teran denied the Drug Enforcement Administration's allegations. But he couldn't help but appreciate the boost he said they gave him. "The lies that were spread definitely helped me," he said. "Far from alienating people, the allegations angered many and united them more behind Vicente Teran."

Agua Prieta voters knew about the allegations since they were published at the peak of Mr. Teran's campaign in a Drug Enforcement Administration document, "Mexico's Top Echelon Traffickers," and in more than a dozen Mexican and U.S. publications since then.

"Vicente Teran Uribe is identified as a member of a large cocaine-distribution organization based in Agua Prieta and Hermosillo, Sonora," the document said. "Cocaine-laden aircraft that originate in Colombia are reported to land on Mexican airstrips at ranches allegedly owned by Teran Uribe." The document also said Mr. Teran was believed to be "involved in large-scale money laundering."

Within days of publication of the allegations against Mr. Teran — who asserts that his fortune came not from drugs but from years of hard work selling satellite dishes — he had a lead of 5 percent in the opinion polls.

Reaction north of the border to the outcome of the July 6 elections further illustrated the complexities of the relationship between the two neighbors. The day Mr. Teran was proclaimed the winner, the U.S. Senate passed a resolution congratulating Mexico for its exercise in democracy. At the same time, U.S. officials near the border were concerned about the alleged drug connections of the mayor-elect of Agua Prieta. But they also were worried about what impact the allegations would have on future cooperation with him.

POLITICAL NOTES

Costly Station Break

WASHINGTON — Congressional budget negotiators are on the verge of awarding the politically powerful TV broadcast industry expanded rights to the public airwaves, an action likely to force the U.S. Treasury to forgo $5 billion in anticipated revenue.

In April, the Federal Communications Commission diverged from a policy of auctioning off the communications spectrum and gave TV broadcasters free slices of the airwaves to begin "high definition" digital broadcasts. In return, they were to give up their current frequencies by 2006. But a proposal in the balanced-budget bill would allow broadcasters to keep them indefinitely.

"This is equivalent to simply giving away federally owned oil fields to oil companies," said David Keating, executive vice president of the National Taxpayers Union. *(WP)*

Republicans' Plight

WASHINGTON — The Republican infighting over the leadership of the House speaker, Newt Gingrich, that led to the resignation to a top member of his team last week reflects far deeper problems than a debate over who will lead the House.

Republican strategists say that absence of leadership nationally and lack of consensus on a party agenda invite intensified intraparty conflict that will leave Republicans weakened in forthcoming battles with President Bill Clinton and the Democrats. The uproar over Mr. Gingrich's leadership helped crystallize a growing sense of frustration.

As one party strategist put it, "The tragedy is that we're on the verge of passing a balanced budget and cutting taxes, and we're in a circle shooting each other." *(WP)*

Quote/Unquote

Representative Jennifer Dunn of Washington, defending the Republicans' proposed tax cut as a boon for women: "The only people who think this tax relief bill is not good for women are those who don't believe we women can manage our own money. And that thinking is certainly passé." *(AP)*

First Murder Seen as Clue In Spree by Versace Suspect

By Dirk Johnson
New York Times Service

MINNEAPOLIS — Just before the killings began, Andrew Cunanan told friends in San Diego that he was flying to Minnesota to "settle some business" with an old friend, Jeffrey Trail.

That is perhaps the most tantalizing clue in what the police call a murderous spree, starting with the killing of Mr. Trail, an engineer, in a loft apartment here on April 27, and the shooting of another friend, David Madson, a Minneapolis architect, six days later.

Mr. Cunanan, suspected in those slayings, continued Sunday to elude scores of law-enforcement officials in the Miami area, where he is wanted for the killing Tuesday of the Italian fashion designer Gianni Versace. But if there is ever to be any explanation for the baffling and horrifying campaign of violence, with five murder victims in four states, the best chance for an answer would seem to start here: What set off Mr. Cunanan?

Investigators said that they did not know how Mr. Cunanan and Mr. Trail met, but that they believed them to have been romantically linked, at least for a time, while they were living in San Diego. Mr. Trail, a graduate of the U.S. Naval Academy who had been stationed there, left the area after his discharge in the spring of 1996 and briefly lived in the Sacramento area to become a cadet in the California Highway Patrol. In November, he moved to Minnesota and began working as a district manager for Ferrellgas, a propane company near Minneapolis.

The police said they had yet to determine the meaning of Mr. Cunanan's remark about settling business with Mr. Trail.

Members of the victim's family dismissed the idea that the two men were ever lovers, but they suggested that Mr. Cunanan had a strange fascination with Mr. Trail, 28. One of Mr. Trail's sisters, Lisa, said Mr. Cunanan had seemed to idolize her brother.

"When Jeff got a haircut, Andrew had to have the exact same haircut," she said. "When Jeff went to San Francisco and got a certain style of baseball cap, Andrew had to go to San Francisco and get the very same cap. When Jeff grew a goatee, Andrew grew a goatee."

She said her brother initially found Mr. Cunanan to be "very entertaining, witty, boisterous," but later became much less fond of him. Just before Mr. Cunanan's trip to Minnesota in April, she said, her brother had told another sister that he "did not want Andrew to come."

"Jeff had just started a new relationship," his sister Lisa said. Her brother, she said, feared Mr. Cunanan might insinuate himself in a way that would make trouble for Mr. Trail and his partner.

Often described as boisterous and charming, Mr. Cunanan had become dispirited before flying to Minneapolis on April 25, some acquaintances said.

Not long before his trip to Minnesota, Mr. Cunanan discovered he had the virus that causes AIDS, his friends in California told investigators, said a spokeswoman for the Minneapolis Police Department.

■ An Unrelated Miami Killing

Police officials said that they had made an arrest in the killing of a Miami Springs doctor and that the slaying had nothing to do with the murder of Mr. Versace, The New York Times reported. The FBI had joined the investigation of the doctor's death after witnesses' descriptions of a man fleeing the scene matched that of Mr. Cunanan.

AMERICAN TOPICS

Old Ironsides Rigged to Sail After a Century at Anchor

It was a far cry from the dramatic entry the USS Constitution made during the War of 1812, when it sailed into Marblehead Harbor in Massachusetts to escape two British frigates in hot pursuit. Still, the 200-year-old wooden ship left for the port Sunday to grand acclaim, under tow but on its first voyage in more than a century.

The 24-mile (40-kilometer) voyage from the Charleston Navy Yard in Boston was in part a training exercise. The crew got a chance to fill the sails with wind while keeping a line tied to a tugboat. On Monday, tugs again were to take Old Ironsides out to sea. There, they were to release all lines, freeing the ship to run before the wind, as it once did so nobly.

The Constitution was launched in 1797. Its tough construction deflected cannonballs so easily that it was dubbed Old Ironsides. Undefeated in 30 engagements, the ship became a symbol of America's arrival as a naval power.

Over the past three years $12 million has been spent to return the 44-gun ship, in use as a museum, to seagoing condition. New sails and rigging had to be woven from synthetics, and wooden braces restored.

"Just the fact that we have her is astounding," said David Cashman, who commanded the ship from 1987 to 1991. "That she's alive and well is remarkable." No other ship of its age is in sailable condition.

Short Takes

A proposal to recognize same-sex marriages in the Episcopal Church, which has 2.5 million members in the United States, was rejected last weekend by a razor-thin margin. The head of the church had appealed for tolerance. "It was Jesus, not me, who said there would be no outcasts," Presiding Bishop Edmond Browning said at the church's General Convention in Philadelphia. Lay delegations rejected the resolution to bless same-sex unions with a 56-56 tie vote. Clergy delegations voted 56 yes to 57 no. Passage would have required majority approval by both groups. A vote on ordination of homosexuals is due later this week.

A surprising 20 percent of "green" electricity customers are voluntarily paying a premium in a half-dozen pilot projects around the nation, according to a major study financed by 40 major public utilities, the Los Angeles Times reports. The findings are the most solid evidence yet that many of Americans will pay extra for power derived from sources such as solar and wind.

Mills College, in Oakland, California, had brush to be cleared, so it called on "Goats R Us" to provide 500 of the four-legged browsers. Their efforts, which included some fertilization — gratis — appeared satisfactory. But the Teamsters Union said the goats were "union busters." The college had an agreement, said a local union official, Chuck Mack, calling for the use of human workers. He suggested, however, that the school could make good if had the goats join the union. But he added this tongue-in-cheek caution in a letter to the college: "We intend to represent them in the same aggressive manner we do every other member."

Brian Knowlton

CIA Demands Investigation of Ex-Agent

By Walter Pincus
Washington Post Service

WASHINGTON — The CIA has asked the Justice Department to investigate what it calls unauthorized disclosures to news organizations last month by former agency officials of secret covert activities aimed at President Saddam Hussein of Iraq, agency and congressional sources say.

An article in The Washington Post and an ABC television documentary, both of which appeared last month *(IHT, June 27)*, described Central Intelligence Agency attempts that began in 1991 to destabilize or overthrow Mr. Saddam.

Both reports featured a recently retired CIA case officer, Warren Marik. The documentary also featured the former head of the CIA's Near East Division, Frank Anderson, the former CIA director, John Deutch, and a former national security adviser, Brent Scowcroft.

According to The Post article, Mr. Marik said he organized flights over Baghdad to drop leaflets, organized military training for Kurdish guerrillas in northern Iraq and oversaw radio and television propaganda denouncing Mr. Saddam's regime.

In an interview last week, Mr. Marik said he "did not disclose sources and methods," the most guarded of CIA secrets, adding, "The information I discussed had already been out in public."

Present and former CIA officials said they doubted much would come of an inquiry because it eventually would require disclosing the very information the agency wanted to protect, agency lawyers said.

Away From Politics

- **The typical American household is spending** less on stamps and the personal computer is a major reason, a Stanford University professor has told the Postal Rate Commission. *(WP)*
- **Four deaf and mute Mexicans** led New York City police officers to two houses crammed with 62 deaf, indentured immigrant workers. Seven people were arrested after the raid. *(AP, NYT)*
- **The University of California's regents** agreed to an $8 million settlement of lawsuits accusing a campus fertility clinic of stealing women's eggs and embryos. The payments come on top of $6 million already approved. *(AP)*

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Taiwan Moves To Phase Out Its Provincial Government

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan said Sunday that it would reduce the size of its provincial government, a move sure to provoke Beijing, which considers such a step as a move toward independence.

The governing Nationalist Party and the pro-independence Democratic Progressive Party joined forces last week during the National Assembly's constitutional amendment session to approve a proposal to phase out provincial government, whose responsibilities largely overlap those of the central government.

Nationalists say this will save 60 billion Taiwanese dollars ($2.2 billion) a year, but analysts said it would fuel China's fear that Taiwan is moving toward full independence rather than eventual reunion. Taipei has kept up the provincial authority under its claim of sovereignty over "all China."

"We will soon set up a special committee to make plans for the downsizing," said Vincent Siew, a legislator who heads a Nationalist Party panel on amending the constitution. "We will invite the provincial government to send representatives to discuss the issue, and I believe it will do so."

China views Taiwan as a renegade province to be reunified with the mainland, and it has warned that it will not tolerate moves to independence and will use force if necessary to prevent it.

Nevertheless, Taipei continues efforts to win recognition in the international community. The Foreign Ministry said Sunday that John Chang, foreign minister would fly to Belize and four countries in the Caribbean on Tuesday to solicit diplomatic backing.

Mr. Chang will conclude his trip August 2 after visiting Saint Kitts-Nevis, the Commonwealth of Dominica, Saint Vincent and the Grenadines and the Dominican Republic.

A publication in Taiwan, meanwhile, said Beijing had ordered an official to visit Taipei next month, thawing its freeze of Taiwan contacts.

Liu Gangqi, deputy secretary general of the Association for Relations Across the Taiwan Strait, will attend a seminar August 4-5 in Taipei, the Economic Daily News said, despite the suspension of talks between the semi-official Chinese agency and its Taiwan counterpart, the Strait Exchange Foundation. The Beijing agency informed its Taiwan counterpart of the visit. *(Reuters, AFP)*

Q & A / **Prince Norodom Ranariddh**

Ex-Leader Urges Rejection of Cambodia Regime

Since being ousted as Cambodia's first prime minister in a military coup July 6 by Second Prime Minister Hun Sen, Prince Norodom Ranariddh has been in Europe, the United States and Asia to rally support for the reinstatement of democratic rule. In Singapore on Sunday, he spoke with Michael Richardson of the International Herald Tribune about Cambodia's prospects.

Q. Foreign ministers of the Association of South East Asian Nations will hold their annual meeting in Kuala Lumpur starting Wednesday. What should the group do now that Mr. Hun Sen has rejected its mediation efforts?

A. I would encourage ASEAN to continue trying to end the very serious crisis in Cambodia. While Mr. Hun Sen rejected the ASEAN initiative on Saturday, both the king and I very firmly support it. The United States, the European Union, Japan and Australia are also supportive. So Mr. Hun Sen is isolated.

The international community should not recognize the government in Phnom Penh because it is the result of a coup d'état. International pressure, particularly economic pressure, should be applied.

Q. Would that be effective?

A. The economic situation in Cambodia is already very bad. Even before the coup, we did not have any money to pay our soldiers and civil servants for four months. There is now no investment and no income for the state budget, which depends more than 60 percent on external assistance.

In such a situation, when threatened with political anarchy and military disorganization, Mr. Hun Sen cannot resist international economic sanctions and isolation for long.

Q. The recently appointed U.S. envoy to Cambodia, Stephen Solarz, says that in seeking the restoration of the coalition government in Phnom Penh and the holding of free and fair elections in 1998, ASEAN and other concerned countries should adopt a tough and coordinated policy toward Mr. Hun Sen, including denial of aid to his regime. Is that the right approach?

A. It is the only approach. If it becomes the common policy, it will soon be possible to have a dialogue with Hun Sen and return to the democratic political framework that emerged from the 1991 Paris peace agreement and the 1993 elections supervised by the United Nations, including a coalition government with two prime ministers — myself and Hun Sen.

Q. What will happen if ASEAN and other members of the international community accept Mr. Hun Sen's seizure of power as a fait accompli?

A. It would mean recognizing a fake coalition government in Cambodia and a fake National Assembly. Mr. Ung Huot, who was named last week to succeed me as first prime minister, is a puppet of Hun Sen. If the international community gives in to Mr. Hun Sen, I fear that there will be a resumption of civil war in Cambodia. I do not want that, but I cannot prevent it.

If the democratic forces in Cambodia, which I stand for, are not supported by the international community, it will allow the Khmer Rouge to represent the resistance to Mr. Hun Sen. Already they have labeled his government as a Vietnamese-installed regime. And people are listening. It's an old song, but a very effective one in Cambodia.

Q. Aren't the Khmer Rouge a spent force?



Sukree Lalit/The Associated Press

Prince Ranariddh announcing the formation of a Cambodian opposition at a news conference in Bangkok.

A. It is very unfortunate that when we were so close to dismantling the Khmer Rouge as a unified political and military movement, Hun Sen's coup opened the door to their resurgence.

That must concern the international community. When resistance and a civil war are looming, you cannot say that what is happening in Cambodia is only a domestic or internal affair. The instability will affect other countries in the region, starting with Thailand. All the Khmer Rouge military bases are along the Thai-Cambodian border.

Q. Is there a human rights dimension to what has happened in Cambodia?

A. If the original National Assembly and coalition government are not restored and Hun Sen is allowed to rule as a strongman, democracy and freedom are finished. Killings, torture and even mass executions are taking place against the royalist Funcinpec party, which I lead, and members of the opposition.

I do not believe such actions could be carried out without the consent, if not the orders, of top people in the regime, including Mr. Hun Sen himself.

That is why I am asking the United Nations to set up a special commission to investigate human rights abuses. We must not allow Cambodia to return to the killing fields and civil war.

Dissidents Urge Beijing to Release Demonstrators

Reuters

BEIJING — Two Chinese dissidents have appealed to President Jiang Zemin to release workers detained for taking part this month in demonstrations against job losses, a human-rights group said Sunday.

The two dissidents, Shen Liangqing and Zhang Lin, sent an open letter Friday to Mr. Jiang, Prime Minister Li Peng and the chairman of the National People's Congress, Qiao Shi, protesting against the treatment of workers involved in the demonstrations in southwestern Sichuan province, the New York-based group Human Rights in China said.

In their letter, the dissidents said they hoped the government would pursue the "complete modernization" of politics, the economy and society "through democratic and legal means."

Several thousand people staged demonstrations in the city of Mianyang on July 7 after at least three local state-run textile companies declared bankruptcy.

The police dispersed the angry factory workers and detained several leaders, local officials said. They dismissed reports that 100,000 people took part in the protests and that some protesters were wounded.

Worker unrest is one of the greatest fears of China's leadership. But Beijing has put reform of money-losing state companies at the top of its economic agenda this year, pushing through with bankruptcies that they had delayed for years for fear of social unrest.

Reports of increasing numbers of daring protests by disgruntled workers have surfaced in recent years as economic change has resulted in layoffs from lumbering state factories.

Mr. Shen and Mr. Zhang, both from Hefei in eastern Anhui Province, demanded the release of those detained, medical treatment for the wounded and an official investigation.

Mr. Shen, a former prosecutor in Anhui, offered to take part in an investigation as an observer or prosecutor. He was jailed for 17 months for his role in the 1989 democracy demonstrations that were crushed by the army.

The two dissidents called on the government to establish a social security system to protect workers' rights.

Last week, Mr. Shen sent an open letter to China's top leaders, warning that any attempt by Mr. Jiang to revive the title of chairman held by Mao Zedong would start a slide deep into dictatorship.

Mr. Zhang, who was jailed for two years after the 1989 protests, last month completed three years of re-education through labor for his advocacy of democracy.

Key Town Surrendered By Taleban

Opposition Planes Hit Kabul During Battle

Compiled by Our Staff From Dispatches

KABUL — The Afghan opposition alliance said Sunday that its forces had taken a strategic town and a nearby air base in a major rout of the Taleban militia north of Kabul, which was hit by a deadly air raid in concert with the ground attack.

A Taleban spokesman, quoted by a Pakistan-based Afghan news service, confirmed that the town, Charikar, 64 kilometers (40 miles) from the capital, fell to the opposition Saturday night, but he had no word on the opposition report that its forces had also taken Bagram air base Sunday morning.

In the worst of four air strikes against Kabul, eight civilians were reported killed and 12 seriously wounded.

An official of the government ousted by the Taleban from Kabul last September said 500 Taleban fighters had been killed in the battles north of Kabul. The official, who did not want to be named, was speaking by satellite telephone from the Panjsher valley stronghold of Ahmed Shah Masoud, military commander in the former administration.

Mr. Masoud, speaking by telephone, said, "The Taleban fled, leaving behind their heavy weapons."

Journalists who tried to reach the area Sunday morning were turned back by Taleban fighters.

The goal of Mr. Masoud's attacking force was to cut off, surround and eliminate as many of the Taleban front-line fighters as possible, said a spokesman for the opposition, Abdullah, speaking by telephone.

The Pakistan-based Afghan Islamic Press quoted the Taleban spokesman as saying the militia had lost control of Charikar, capital of Parawan Province, but had sent 200 fresh soldiers to the front line near the Bagram air base and were pushing back opposition fighters.

Charikar fell to the Taleban in January, but has been under pressure from opposition forces for more than a month since they took the town of Jabal os-Siraj, 70 kilometers north of Kabul.

Charikar controls access to the Ghorband valley, where the Taleban is fighting forces of the Hezb-i-Wahdat faction, a mainly Shiite Muslim party in the opposition alliance.

Bagram air base has long been Kabul's main military airfield, but it has been out of action for 10 months because it was too close to the front line.

The Taleban forces have been under continuous pressure since they briefly captured most of the opposition-held north of the country in May.

In the air raids, bombs hit the roof of a two-story concrete house in Kabul's Khairkhana district, where relatives and neighbors were later digging through the rubble in search for survivors, witnesses said. Streets in Kabul were deserted as civilians feared further attacks on the city. *(Reuters, AFP)*

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JAPANESE CELEBRATE WITH A SPLASH — People cooling off in a swimming pool in Tokyo on Sunday. Thousands of people visited the pool after the national weather service announced the end of the rainy season all over the country.

BRIEFLY

Gunmen Kill Legislator And 5 Others in Sri Lanka

COLOMBO — A Muslim legislator in Sri Lanka's main opposition United National Party and five others were slain Sunday, the police said.

Unidentified gunmen opened fire on Mohammed Moharoof's vehicle on a road in the eastern region, they said, adding that the dead included a child.

State radio also reported later Sunday that the police arrested a suspected Tamil Tiger guerrilla who had entered a Muslim religious festival elsewhere in eastern Sri Lanka to assassinate Ports Minister Mohammed Ashraff. The man was found to have been carrying a pistol and hand grenades, the broadcast said. *(Reuters, AFP)*

Burma Muslims Ejected

CHITTAGONG, Bangladesh — At least 10 people were wounded Sunday when police officers opened fire with guns and tear gas on a crowd trying to prevent the deportation of Muslim refugees to Burma, officials said.

Despite the violence at the Naopara refugee camp in the southeast, the authorities went ahead with the repatriation of 316 refugees, they said.

Four policemen were hospitalized along with two people who suffered bullet wounds, they added, without giving details.

Local officials said the police were called in when a group of Burmese refugees tried to prevent repatriation of some of the 21,000 refugees in Bangladesh frontier camps. Bangladesh has stated it wants them all to return to Burma.

About 250,000 Muslims from the state of Rakhine, known as Rohingyas, fled to Bangladesh in 1991, saying they were escaping repression and human rights violations. Most were sent back after a 1993 accord. *(AFP)*

India-Bangladesh Pact

DHAKA, Bangladesh — India and Bangladesh agreed Sunday on immediate steps to resolve a water-sharing problem over the Teesta River and to continue cooperation in flood management.

"We reached the agreement after a thorough discussion in a brotherly atmosphere," the Indian minister of state for water resources, Sees Ram Ola, said after two days of talks with his Bangladeshi counterpart, Abdur Razzak.

The resolution ends a major disagreement between the two neighbors.

Water sharing from the Teesta and 53 other rivers that run in both countries came up for discussion at the two-day meeting of the Indo-Bangladesh Joint Rivers Commission, which began in Dhaka on Saturday after a break of seven years.

Last year, Bangladesh and India signed a landmark 30-year treaty on sharing the waters of the Ganges. The dispute over the Ganges had been a decade-old irritant. *(AFP)*

Red Faces in Australia

SYDNEY — Australia's Foreign Ministry and diplomats have been severely embarrassed by the unauthorized disclosure of a report describing many South Pacific leaders as inept or corrupt.

The 93-page report was left on a table outside the South Pacific Forum of Economic Ministers, meeting in Cairns, and picked up by a reporter.

The Sydney Morning Herald reported Saturday that the report says Nauru is on the brink of economic collapse, and accuses many island governments of being unwilling to accept basic economic reforms. It names ministers in Papua New Guinea, Solomon Islands, Vanuatu and the Cook Islands as corrupt or incompetent. *(AP)*

4 Die in Pakistan Clash

LAHORE, Pakistan — Three Indian soldiers and a Pakistani girl died in a weekend clash along the border over the placement of Indian barricades, Pakistani authorities said.

The Saturday shootout, about 200 kilometers (125 miles) east of Islamabad in Pakistan's Punjab Province, started after Indian border guards erected new barricades that Pakistan soldiers asserted were in Pakistani territory, the officials said.

Skirmishes between the two countries are common, and residents of the area said regular clashes have persisted despite revived talks between the two governments. *(AP)*

Vietnamese Report A Heavy Turnout For New Assembly

Compiled by Our Staff From Dispatches

HANOI — Election officials in Hanoi said Sunday that nationwide elections for a new and larger National Assembly had been successful, with a big turnout despite heavy rains and flooding.

One official, Nguyen Si Dung of the National Assembly Information Center, said reports from around the country showed the highest turnout in the south, with at least two provinces reporting levels over 99 percent.

"I think it's been a quite successful day, and the turnout so far has been very high," he said.

The voting for the 450 member Assembly, while not compulsory, was heavily promoted as a "national festival," one in which all citizens should take part.

Many voters said they knew little about the candidates and decided whom to vote for only on the basis of photographs and biographical details supplied to them when they arrived at the polling stations.

"My vote doesn't make any difference," a recent college graduate said in commenting on his reaction. "But if I don't vote, then the police will come knocking on my door."

The new legislature will be full of new faces, with less than a third of the members of the outgoing assembly seeking re-election.

It will also be younger and better educated and it will also have more women.

The Communist Party general secretary, Do Muoi, who described the elections as Vietnam's most democratic ever, did not seek re-election.

He said he was now prepared to step down from the appointed position of party leader.

All of the 663 candidates were vetted by officials, and the vast majority were from the ruling Communist Party.

But voters were able to choose from among workers, labor union representatives, educators and others who were running against the longtime Communist Party veterans.

A total of 202 were women, in conformance with leadership directives aimed at ensuring that women would occupy about 30 percent of the seats in the next legislature. *(Reuters, AP)*

هكذا من الاصل

EUROPE

Serbs in Bosnia Push Out Leader

Party Orders Her to Step Down

Compiled by Our Staff From Dispatches

PALE, Bosnia-Herzegovina — Bosnian Serb hardliners, waging a battle for power, have expelled President Biljana Plavsic from their ruling party and demanded that she step down from office, a party official said Sunday.

The vote Saturday to kick Mrs. Plavsic out of the Serb Democratic Party followed her outspoken attacks on Radovan Karadzic, the former president of the Bosnian Serbs who has been indicted for war crimes. In an article to be published Monday in the German publication Der Spiegel, she threatened to arrest Mr. Karadzic and his allies for corruption.

The vote coincided with reports that North Atlantic Treaty Organization forces staged a show of force Saturday near Mr. Karadzic's home in Pale.

But the NATO-led force in Bosnia denied Sunday that a special operation had been mounted. "There is no unusual patrolling activity in Pale," said Major Chris Riley, a NATO spokesman.

The decision to expel Mrs. Plavsic has long been expected. Hard-liners had already excluded her from decision-making in the party.

But her accusations of corruption against Mr. Karadzic have tapped strong public support among ordinary Bosnian Serbs, many of them living at subsistence levels in contrast with the wealth flaunted by Mr. Karadzic and his allies.

The move against Mrs. Plavsic risked splitting the Bosnian Serb entity in two, with rival governments in Banja Luka where she is based and Pale, the hardliners' stronghold to the southeast of Sarajevo.

The expulsion does not affect her legal position as president. The constitution requires that Parliament call a referendum to remove the president. *(Reuters, AFP)*

■ U.S. Warns Croatia

The U.S. ambassador to the United Nations, Bill Richardson, said Sunday that Croatia's integration into Western institutions and its relations with the United States largely depended on whether ethnic Serbian refugees can return home, The Associated Press reported from Zagreb, Croatia.

Mr. Richardson made his comments during a visit to Eastern Slavonia, the last Serbian-held area of Croatia, a day after a meeting with the Croatian president, Franjo Tudjman, who agreed to allow all minority Serbs to return to their homes, a move he has long opposed.



Philippe Wojazer/Reuters

REMEMBERING THE HOLOCAUST — Cardinal Jean-Marie Lustiger, archbishop of Paris, left, speaking with Joseph Sitruk, the head rabbi of France, at a ceremony Sunday on the site of the former Velodrome d'Hiver, a Parisian stadium where Jews were rounded up and deported during the German occupation.

1,600 Poles Flee Southwest Floods

Compiled by Our Staff From Dispatches

WARSAW — Hundreds of people were evacuated from towns in Poland and the Czech Republic overnight as rivers burst their banks after torrential rain, local authorities said Sunday.

In southwest Poland, more than 1,600 people were evacuated overnight Saturday, while dozens more waited Sunday morning on their roofs to be rescued by military helicopter.

Across the border in the Czech Republic a similar operation was carried out to evacuate hundreds of people from their homes in the north, many of them for the second time in 10 days, while in the east, along the Oder River, a state of emergency was declared.

But Polish authorities said the risk of new large-scale flooding had receded, though the situation remained serious in several places, notably Wroclaw, Raciborz and Legnica, all in the southwest.

More than 100 people have died this month in flooding in Eastern and Central Europe, with Poland suffering the heaviest toll, with 49 dead, followed by the Czech Republic, where 48 people have died.

The rain was also causing problems Sunday in Germany and Italy. In eastern Germany, the Oder broke through defenses in several places, prompting a state of emergency, but the authorities said the river had stopped rising.

In Italy, 40 people were injured Sunday morning, two of them seriously, when a tornado swept through the beach resort of Bibione, near Venice. *(AFP, AP)*

BRIEFLY

Closer Turkey-Cyprus Tie

ANKARA — The government announced plans Sunday to gradually integrate northern Cyprus into Turkey to match any moves by the Greek-Cypriot part of the divided island to join the European Union.

The Turkish Republic of Northern Cyprus, which Turkey has occupied for 23 years and which is only recognized by Ankara, signed an accord with Turkey for a "step by step" integration of economic and political institutions, the semi-official Anatolian News Agency reported.

The accord was announced by Turkey's deputy prime minister, Bulent Ecevit, who arrived in northern Cyprus on Sunday to mark the 23rd anniversary of Turkey's invasion of the northern third of the island on July 20, 1974. *(AFP)*

Higher Stakes in Albania

TIRANA — Albania's new Socialist majority, raising the stakes in a standoff with President Sali Berisha, said Sunday that if he failed to decree the sitting of the new Parliament they would convene it themselves.

Mr. Berisha, whose Democratic Party suffered a resounding defeat in the June 29 elections, has promised to resign once he has "fulfilled his constitutional obligations," but he shows no immediate sign of stepping down.

Nearly 300 Italian soldiers pulled out of this still chaotic country Saturday. Thousands of other foreign troops are soon to follow. Eight nations sent troops to Albania in April. *(Reuters, AP)*

More Bombs in Algeria

PARIS — Two bombs exploded almost simultaneously in two cafés in the western Algerian town of Tlemcen, killing one person and wounding 30, an Algerian newspaper reported Sunday.

The home-made bombs ripped through the cafés in central Tlemcen at about 10.30 A.M. on Saturday, destroying the two coffee shops, El Watan newspaper said.

More than 350 people have been killed in massacres of villagers in remote hamlets and in bomb attacks, mainly in Algiers, since the June parliamentary election that many Algerians had hoped would help end the conflict in their country between armed Islamic groups and the military-backed government. *(Reuters)*

Tajik Prisoner Exchange

DUSHANBE, Tajikistan — The secular government and the Islamic opposition have begun exchanging prisoners under a peace deal that ended a four-year civil war in this former Soviet republic, a United Nations official said.

"Seven government prisoners were exchanged late on Friday for seven opposition fighters," the UN official said. "Each side also released 20 persons on Saturday morning."

The official said the exchanges had taken place near the settlement of Childara, 160 kilometers (100 miles) east of Dushanbe. He said they had been started in line with a final peace agreement signed in Moscow on June 27.

The peace deal, brokered by Iran, Russia and the United Nations, put an end to the civil war, in which tens of thousands people were killed and many more were forced to flee their homes for safety in neighboring Afghanistan.

Under the peace agreement, each side has to release 50 prisoners at the first stage of exchange.

The government says about 2,000 of its servicemen are being held by the opposition. The opposition says up to 600 its fighters are in government prisons. *(Reuters)*

For the Record

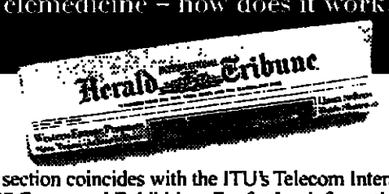
President Aslan Maskhadov of Chechnya has removed the head of the security service for the rebel Russian region, Russian news agencies said. They said Mr. Maskhadov replaced Abu Movsayev on Saturday with his deputy, a former separatist guerrilla commander, Anti Batalov. They gave no reason for the decision. Hostage-taking has become a huge problem in Chechnya, where Russian troops fought separatist forces for 21 months until last August. *(Reuters)*

Turkish troops killed 50 Kurdish guerrillas in clashes Sunday in southeastern Turkey near Hakkari, officials said. The casualties increased the number of rebels killed since last week to 84, the regional governor's office said. One soldier was killed. Turkey cracked down on Kurdish rebels in northern Iraq in May but has since withdrawn most of its 25,000 troops from the region. The military says it killed 3,000 rebels while losing 113 troops; the rebels dispute the figures. (AP)

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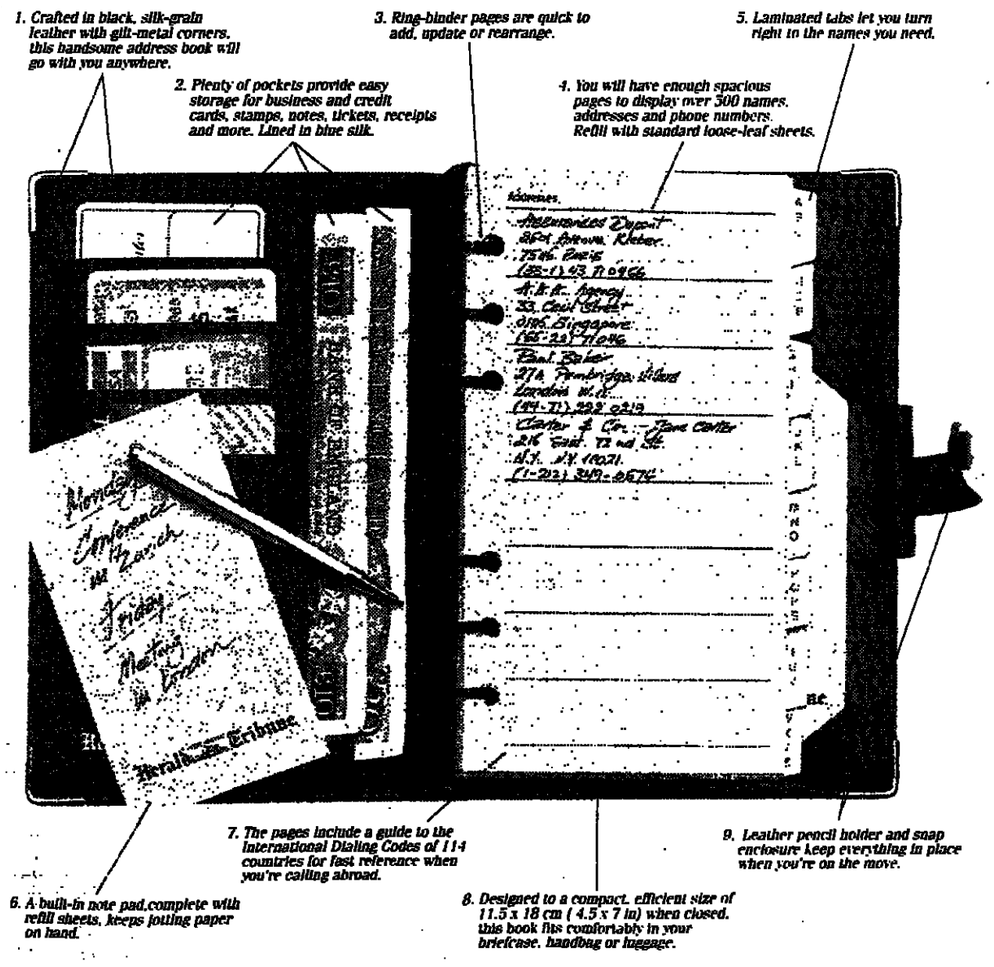
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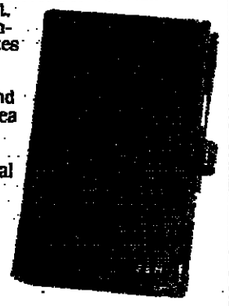
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INTERNATIONAL

AGENCY: *CIA Limps to 50*

Continued from Page 1

The CIA's charter members — "bankers and tycoons, safecrackers and forgers, printers and playwrights, athletes and circus men," as a future director, William Casey, wrote — were a talented crew forged in the fires of World War II. New recruits came from the nation's best universities. Soon there were thousands. Their power grew with the Cold War. President Dwight Eisenhower told them to launch coups in Iran and Guatemala.

"These succeeded," Mr. Helms said. "They attracted a lot of attention. With the attention, the CIA was identified with covert action," a tool of an imperial president in imperiled times.

The agency convinced President John Kennedy that covert operations were a cheap alternative to sending in the Marines — then refuted the argument with the disastrous Bay of Pigs invasion in 1961.

"Public support began to erode with the Bay of Pigs," Mr. Schlesinger said.

In 1975, as Saigon fell, the CIA's own ramparts were breached by congressional investigators who exposed the agency's relationships with foreign governments, generals and goon squads.

Since 1991, the agency has had five directors; not one has lasted as long as two years.

"We're a confused group, dying for stability," the agency's inspector general, Fred Hitz, said in a speech in May.

The spy service no longer attracts America's best and brightest, Mr. Clarridge asserted.

"I was saddled with an overabundance of yuppie spies," he wrote. "For them, the CIA was just a job."

To succeed, Mr. Hitz said, the CIA must focus on "five or six" targets, not a dozen, as it is doing, or a hundred, as it did a decade ago.

"The goals," Mr. Hitz said in May, "remain remarkably close to President Truman's original hopes for CIA in 1947," to provide the president with "timely, focused intelligence information." That calls for exceptional people devoted to anonymous government service — and a revival of the Cold War spirit in a new generation.



Crispin Rodwell/Reuters

A Belfast youngster taking a peek through a British soldier's gun sights on Sunday as the new IRA cease-fire brought at least a temporary halt to the violence and tension that have torn Northern Ireland for many years.

TRUCE: *Hope Flickers in Ulster as IRA Calls a New Cease-Fire*

Continued from Page 1

among thousands of flowers in the Sir Thomas and Lady Dixon Rose Garden on the edge of town.

Their children, warned not to touch the flowers, did cartwheels on the grass; a string quartet (three Catholics, one Protestant) under a kiosk played Bach's air from Suite No. 3; a grandmother dandled an infant on her knee, keeping time with the music.

Peace, for an idyllic moment anyway, had returned to Northern Ireland, tending to make people push to the backs of their minds that more than 3,000 people have been killed here in the civil strife.

But with the cautious sense of relief the new cease-fire brings, people also remember that the last truce only lasted for 17 months, and that the possibility of a return to mayhem is always possible, particularly if peace talks scheduled for mid-September break down.

"We're delighted," said Tom Gunning, 75, a retired Protestant Transport Authority official, as he sat in the garden with his wife, their son-in-law, daughter and two grandchildren, Jill, 7, and Mark, 4, who were waiting hungrily for the family picnic to begin.

"I'd sooner seem talking than fighting," he said.

"It's been a difficult life for my children, with violence all their life. I am hopeful that this is the answer. For my grandchildren, for everybody."

His wife, May, frowned. "I don't think it'll work out at all," she said, and, referring to the IRA and its political wing, added, "They get one thing then they want another."

A British soldier in civilian clothes and his Belfast-born wife said they were not sure the cease-fire would hold.

As their two children romped behind a rose bush, the woman said, "It's too soon to know. I wonder how long it will last."

"Day to day it doesn't affect people's lives," said the soldier, who has done several tours of duty here.

For the army, which was still patrolling central Belfast hours after the cease-fire went into effect, the next step would be to wear soft regimental caps in place of their combat helmets.

Then the army, which has about 17,000 troops here, would disappear gradually to its barracks, he said, and "the troops begin to get bored."

A half-mile away, on the Falls Road in Catholic West Belfast, as the cease-fire went into effect, about 50 British soldiers carrying automatic rifles, wearing camouflage uniforms, patrolled as usual, grim-faced, dropping to their knees from time to time to draw beads on potential rooftop targets.

By the high wall of a police station, a small group of civilians demonstrated peacefully for the release of IRA prisoners.

Outside Darragh's newspaper and candy shop, Damian Rafferty, 34, who said he had served two years in a British prison until last year, was not sure that the truce would hold.

If the British were serious about lasting peace, he said, "They should release some prisoners, as a goodwill gesture."

Chagrin Aboard Mir

American Regrets He'll Miss Repair

The Associated Press

MOSCOW — The American astronaut on the Mir space station, Michael Foale, expressed disappointment Sunday that he would not take part in an important space walk to restore power to the damaged Russian station.

Russian mission control, in a decision to be made final Monday, wants the complex repair mission put off a few weeks until a new crew arrives on the station, taking some pressure off Mr. Foale and his two worn-out Russian crewmates.

"He was disappointed," said Cathy Watson, a spokeswoman for the NASA team at Russian mission control. "He was looking forward to the space walk. But he is a team player, and he understands."

The decision reflects mission control's caution and gives the eventual Russian replacements more time to practice the delicate, hours-long procedures. But it came across as a vote of no confidence in the capabilities of the current Russian-American crew, which had lobbied to make the complicated repairs. Officials said the dismay was clearly evident during a satellite video link set up to break the news.

"They reacted with understanding, although on a purely human level I understand full well that they were, of course, upset," the mission control chief, Vladimir Solovyov, said Saturday.

Mission control kept behind closed doors Sunday, which was designated as a day of rest for the Mir crew. The crew members kept to light tasks, testing the station's gyroscope system and its solar batteries, drained last week during a power outage.

"Everything is fine on board," Ms. Watson of the National Aeronautics and Space Administration said. "Things are basically back to normal."

A collision on June 25 during a practice docking of a cargo ship punched a hole in the station's Spektr module, forcing the crew to seal the module off and disconnect its solar panels. The station has been operating on half-power ever since.

During the repair, a cosmonaut will need to re-enter the depressurized module, assess the damage, install a retrofitted hatch and reconnect the cables. A crewmate will assist from the hatchway.

Russian officials, after conferring with NASA, have said it would be best if the ailing Mir commander, Vasili Tsibliyev, and his Russian colleague, Alexander Lazutkin, returned to Earth next month and let the replacement crew perform the repair. Mr. Foale, who had been picked to stand in for Mr. Tsibliyev during the "internal space walk," is scheduled to remain aboard Mir until September.

Doctors scheduled an electrocardiogram Sunday for the commander, whose heart has recently registered an irregular beat, probably caused by stress and fatigue from more than five months in orbit. Ms. Watson said the results of the test were personal information and would not be made public.

On Monday, Russian space officials plan to hold an engineers meeting that will formalize the decision to delay repairs until the next crew arrives. They also are expected to announce whether a trip to Mir by a French astronaut, Leopold Eyharts, will be put off until next year. He had been scheduled to blast off with the new Russian crew on Aug. 5. But Russian officials say his experiments will take more energy than the station can now provide.

SPACE: *Keeping Cool in a Pressure Cooker*

Continued from Page 1

astronaut and an expert on the Russian space program. "People are watched, tested and judged in situations much higher in stress than the real flight."

He added: "Where you worry more is when you encounter a situation you haven't trained for. At that point the stress becomes hyper."

"In the early days, it was all test pilots," said James Lovell, a veteran astronaut and hero of the nearly disastrous Apollo 13 mission to the moon. "We were used to stress. We'd built up an immunity to — or at least a tolerance for — stress. That's not true probably with some of the newer people." Still, he said, the training is rigorous enough to achieve a similar effect.

A number of fellow astronauts and other colleagues said that if the right-stuff syndrome ever existed, it is certainly diminished today, at least in the American astronaut corps of more than 100 men and women. They are much more practical in their motivations, and much less into what Tom Wolfe, author of "The Right Stuff," memorably called hanging one's hide out over the line.

It is true, however, that professionals in orbit retain the military tradition of communicating in a way that minimizes emotional display. "The training always leans toward maintaining your cool," said Brian Welch, the news chief at NASA headquarters who has served as commentator for shuttle flights.

The new international nature of space flight further complicates the system of communications, forcing the teams to deal with language differences and cultural nuances. Candor is risky. The U.S. astronaut Norm Thagard, for example, was accused in the Russian press of being a "whiner" after he tried to answer reporters' questions about the Russian menu aboard Mir. Most recently, a Russian space official reportedly tagged Mr. Tsibliyev as a "whiner" after he complained about deteriorating conditions aboard Mir.

"People in orbit ought to say what they think," said John Blaha, an astronaut who trained with Mr. Tsibliyev in Russia and recently flew aboard Mir. "They have tremendous insights that people on the ground don't have."

BRIEFLY

Taylor Is Believed To Lead Liberia Vote

MONROVIA, Liberia — Votes were being counted Sunday from the election in war-ravaged Liberia, monitors said, with most observers predicting that the former warlord Charles Taylor will become president.

Paul Harrington, who heads a European Union delegation, said he was "a bit stunned" at the "exceptional" smoothness of the voting Saturday. He added that a front-runner had emerged.

"The election is going one way," he said without naming the leading candidate, but adding it was not a woman. Final results are expected Wednesday.

Most observers have long considered Mr. Taylor, of the National Patriotic Party, and the former finance minister, Ellen Johnson-Sirleaf, of the Unity Party as the only candidates with much chance of victory. If no one wins more than half the votes cast, a second round will be held Aug. 2. *(AFP)*

Violent Incidents Mar Mali Election

BAMAKO, Mali — Violent incidents marred voting Sunday in Mali, where a boycott by 18 opposition parties has clouded the outlook for continuing democratization in the impoverished West African country.

In the worst incident, in the southern city of San, dozens of demonstrators ransacked five polling stations, while in Segou scuffles broke out between security forces and demonstrators, the independent electoral commission said.

Polling stations opened slightly late Sunday and turnout was sparse, with many voters planning to abstain for fear of being attacked. Candidates of 17 political parties are running in this first round of elections. A second round takes place on Aug. 3. *(AFP)*

Anti-Saddam Radio In Syria Is Silenced

DAMASCUS — An Iraqi opposition radio station that had broadcast from Syria for 17 years has gone off the air in the wake of warmer ties between the two countries, an Iraqi opposition official said Sunday.

The Voice of Iraq, which was run by the Iraqi opposition and employed Iraqi journalists, broadcast programs strongly attacking the Baghdad government of President Saddam Hussein, the official said. An anti-Syrian radio station broadcasting from Iraq closed three months ago, he added.

Relations between Syria and Iraq, broken off in 1980, have improved in recent months. The border was opened to businessmen in June. *(AFP)*

South Africa Deal On Arms Reported

JOHANNESBURG — South Africa was reported Sunday to be negotiating with a Middle Eastern country on the biggest arms deal in its history, worth more than $1.5 billion.

The Sunday Independent said South Africa's main arms manufacturer, Denel, was set to supply mobile artillery and anti-aircraft missiles to the "highly sensitive" country, which was not named in the report.

The paper said it had been prevented from revealing the country by a legal threat by Denel to block publication of the report. *(AFP)*

Ortega Seeks Recall Of Managua Regime

MANAGUA — Daniel Ortega, the former president of Nicaragua, has called for a referendum on a recall election of Nicaragua's government, which he accused of causing an increase in poverty and unemployment.

At ceremonies Saturday to commemorate the 18th anniversary of the revolution in which his Sandinistas toppled Anastasio Somoza, Mr. Ortega accused President Arnoldo Aleman's government of failing to respect the constitution and the laws, and said the government's policies had caused hunger and unemployment to rise. *(AP)*

Canada Protests Alaskan Fishing

VANCOUVER — Canada is demanding an immediate stop to Alaskan salmon fishing, saying that prized sockeye salmon are being taken before they get to Canada.

Alaskan fishermen are said to have caught more than twice the quota of sockeye salmon allowed them in a treaty on Pacific salmon, leaving less for Canadians. *(AP)*

For the Record

Jordan is digging a trench on its desert border with Iraq as part of a campaign to clamp down on widespread smuggling, Interior Minister Nazir Rasheed said in published remarks. *(Reuters)*

ASEAN: *Neighbors Are Likely to Keep Cambodia at the Door*

Continued from Page 1

A U.S. official said Vietnam had been warned by Washington that its chance of gaining early approval of a coveted trade agreement and easier access to U.S. markets would be affected if it tried to upset the ASEAN consensus to delay Cambodia's membership.

"We have told Vietnam through diplomatic channels how important it is to our bilateral relationship that Hanoi continue to support the regional consensus and play a constructive role on Cambodia," the official said.

ASEAN members are Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Its foreign ministers are scheduled to hold their annual meeting in Kuala Lumpur starting Wednesday.

Cambodia is a major issue on the agenda both at the meeting of ASEAN foreign ministers and in the talks they will have immediately afterwards with their counterparts from America, China, Japan, Australia and the European Union.

On Saturday, Mr. Hun Sen, whose military forces ousted Prince Ranariddh on July 6, abruptly rejected efforts by three ASEAN foreign ministers sent by the group to try to broker a settlement of the conflict.

Far from offering any concessions to the ministers from Indonesia, the Philippines and Thailand, Mr. Hun Sen said that if Cambodia did not accompany Burma and Laos in joining ASEAN, "it won't be the death of us."

"Hun Sen believes that ASEAN at this stage should not contribute to any solution, that they themselves would find a solution," said Ali Alatas, Indonesia's foreign minister. "Clearly as of this moment our efforts will stop."

Analysts said Washington would now have a freer hand to try a tougher approach to the Hun Sen government, including coordinated denial of aid by its mainly Western donors and Japan.

In seeking a common policy, Mr. Solarz would put forward "a very vigorous point of view by the United States that the status quo cannot be tolerated," said Nicholas Burns, the State Department spokesman. "We are not willing to concede that we should do nothing, when democracy has been flouted so brazenly by Hun Sen in Cambodia."

Thirty soldiers loyal to Prince Ranariddh who were captured after the bloody coup July 6 were tortured and forced to drink sewer water while under detention by government authorities, Reuters reported from Phnom Penh on Sunday, quoting United Nations officials.

"We have evidence which is irrefutable of systematic torture at a place called Kambol," said a UN official, who asked not to be identified.

The UN said its information was based on interviews with eight prisoners who had been held at Kambol military police training center near Pochentong airport, west of Phnom Penh.

Human-rights workers in Cambodia have documented what they say are 40 cases of extrajudicial murder following the coup. The victims were officials loyal to Prince Ranariddh.

Thai Army sources told Reuters that fighting flared anew Sunday in areas of northern Cambodia recently held by troops loyal to Prince Ranariddh.

TV: *A 'Ridiculous' American Series Gives Germans a Chance to Laugh at an Odious Past*

Continued from Page 1

newspaper commentator in Munich. The two main German characters of the series — Colonel Klink, the prison commandant, and the beefy guard Sergeant Schultz — "are absolutely nonthreatening."

"They are bumbling fools who do not confront Germans with the classic Hollywood image of the cold, ultracompetent Nazi, the cruel Himmler figure bestriding the world in jackboots," he said.

That is to say, Germans don't mind laughing at Germans in Nazi uniforms provided they are clearly, very clearly, shown to be buffoons — as Third Reich Lite rather than the manifestations of 20th century evil that Germans regularly see in their history books and much of the rest of popular culture.

This explanation of the show's current appeal is supported by its mixed track record in Germany. When first introduced here in 1992 by another channel, with a title that translates roughly as "Barbed Wire and Clean Heels," it was aired without attention to certain nuances of presentation. And it was a ratings flop. Then Cable One hired some creative dubbers to rework it a bit.

Renamed somewhat more whimsically "A Cageful of Heroes," the Klink and Schultz characters were given broad Swabian and Bavarian dialects, playing on regional stereotypes to underline the notion that they are comic figures — not to be confused with, say, the depraved concentration camp commandant played by Ralph Fiennes in the film "Schindler's List."

Touchy plot lines, like a German plan to blitz London, were written out and replaced with a German plan to bombard Britain with condoms and thus win the war through birth control.

And, of course, the show's stiff-arm salutes could not be accompanied by "Heil Hitler!" Instead, officers bark out, "This is how high the cornflowers grow!" as they raise their arms.

In contrast, "Seinfeld," another American import, was canceled by the channel this month because, as one insider put it, its "slick, East Coast American humor just passed people by."

The success of "Hogan's Heroes" here is all the more remarkable in light of German laws drawn up specifically to prevent glorification of the Third Reich or trivialization of the Holocaust. But the show passes muster. The smart American — epitomized by Bob Crane in the role of Colonel Robert Hogan — always outwits the dumb German, while the Wehrmacht is reduced to an array of scheming, ineffective dolts. And in the German view, the show's very silliness distances it from the realities of genocide.

Indeed, its inoffensiveness — if not its wit — seems broadly accepted. "I don't see anything insulting in the one or two episodes I've seen," said Ignatz Bubis, the head of the main Jewish organization in Germany. "On the other hand, it's not very funny; ridiculous, yes, but not worth laughing at."

But — again, this being Germany — can anything be that simple? Can the past ever be diminished, forgotten or glossed over?

Comic relief, of course, can't exist without angst — otherwise, what would it provide relief from? And so it can be argued that "Hogan's Heroes" provides an antidote to a veritable catalogue of anguished re-examinations of German war culpability in popular culture.

The most striking visual example is "Schindler's List." The 1994 movie, profoundly shocking to young Germans in particular, exploded a myth. Until then, many Germans preferred not to question the notion that they or their forebears were helpless against Hitler's power.

Significantly, the bulk of the audience that has elevated the American series to near cult status is composed of 14- to 29-year-old males, Cable One says.

In other words, those who watch the series are not contemporaries of the real Klinks and Schultzes who bore arms and watched over camps; they are a newer generation for whom the horrors are more distant, for whom being German means living in a peaceful, comfortable Europe in which nationalism has been subsumed in the striving for a broader, continent-wide identity.

GERMANY: *Political and Economic Focus Shifts to the East*

Continued from Page 1

ing in May, Mr. Kohl persuaded Mr. Yeltsin to go along with NATO's enlargement by pledging assurances that Germany will never do anything to harm Russia's security interests, according to senior chancellery officials.

The new *Ostpolitik* being pursued by Mr. Kohl's governing coalition has been endorsed by the opposition Social Democrats and many Green Party members. Public support is also overwhelmingly positive: A Rand Corp. study showed that more than 70 percent of German voters believe they have a "special responsibility" toward Eastern Europe.

"Just as the U.S. feels a natural connection to Canada and Mexico, Germans have a special affinity for the east," says Norbert Walter, chief economist for Deutsche Bank. "Many Germans have their ancestral roots there, and with the rise of free market democracies, it is now seen as the key to our nation's economic and political destiny."

Germany's allure for the east is most pronounced among businessmen who have been fleeing the world's highest labor costs that sap profits in their homeland for new opportunities across the border, where wages and salaries are as little as one-tenth the level in Germany for the same work.

According to a report last year by the central bank in Frankfurt, Germany alone now accounts for one-third of Eastern Europe's trade with the West. "The Central and East European economic area is already more important as an export market for Germany than the United States," the Bundesbank concluded.

Germany has become by far the biggest trade and investment partner for the Czech Republic, Hungary and Poland. In Poland alone, Germany has started more than 2,000 joint ventures since the fall of the Communist regime.

BRAZIL: *Is the 'Economic Miracle' Over?*

Continued from Page 1

new, comprehensive system of pensions and other social benefits. Another problem is reflected in a measure that economists consider a vital measure of economic health: the so-called current-account gap, or a country's deficit in international transactions expressed as a percentage of its gross domestic product. In Brazil, that number is 4.2 percent and climbing; 2 percent or less is considered healthy.

Combined with delays in restructuring the government, this is causing Brazil's economy to grow at a modest 3 percent to 3.5 percent rate this year, rather than the 4 percent to 5 percent some analysts have forecast.

"The view that the economy in Brazil is on a slow path is becoming widely accepted," said Joao Marcus Marinho Nunes, a partner of MCM Consultores Associados in Sao Paulo. "It will not be the fast train that many people thought it would be."

In the new global economy, stock-market fluctuations do not always reflect a country's economic health. At this stage, Brazil still is not close to the kind of fiscal meltdown that caused the Mexican peso crisis in 1994 and prompted a massive U.S. bailout, economists say; before the peso's crash, Mexico's current-account gap stood at almost 8 percent.

In addition, cash-flow levels here show that foreign money removed from the stock exchange in Sao Paulo has stayed in Brazilian banks, indicating it may be getting reinvested elsewhere in country.

In contrast to most of Latin America, the largest planned privatizations in Brazil, including that of its huge telephone monopoly, have yet to take place. When they do, billions of dollars in additional foreign investment is likely to flood the economy, experts say.

There also continues to be great interest in buying industries in the Brazilian market, by far the largest market in Latin America. This month, for instance, a group led by BellSouth Corp. paid $2.45 billion just for the right to operate cellular-telephone service in Sao Paulo.

"While there is uncertainty about Brazil, this is not a repeat of Thailand, the Philippines or Mexico," said Lawrence Krohn, head of the Latin America division at UBS Securities Inc. in New York. "The market here is far bigger than any of those countries, and there is still a big desire by international investors to get a piece of it while they can."

But at least temporarily, many analysts and others say, the drop last week signaled a reining in of the growth at the Sao Paulo Stock Exchange.

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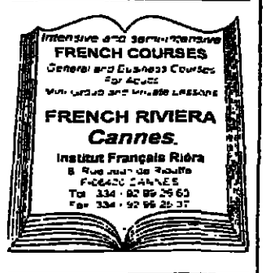
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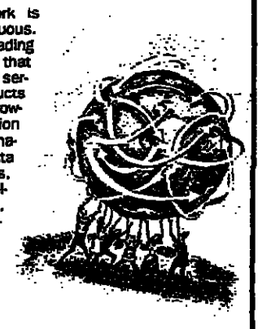
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Return the War Loot

Fifty years on, the fate of uprooted and missing works of art still embitters belligerents in World War II. In May, President Boris Yeltsin courageously vetoed a new Russian law that would allow the country to keep "trophy art" seized from Nazi Germany. The Parliament overrode his veto in June, but Mr. Yeltsin has vowed to challenge the law in the Constitutional Court.

Nationalists and Communists contend that the art is merely compensation for the enormous losses of Russian cultural treasures, such as the renowned Amber Room, taken from a czarist palace by German looters, its postwar whereabouts unknown.

Uncannily, in the midst of the argument, two items apparently belonging to the Amber Room — an 18th century stone mosaic and a lacquered wooden chest — surfaced in Germany, the first break in this case. Germany now has a chance to reciprocate Mr. Yeltsin's veto by pressing the search, and returning any Amber Room relics.

The room itself was by all accounts a treasure nonpareil. Presented to Peter the Great in 1716 by the Prussian King Frederick William I, it required six tons of Baltic amber to provide the 100,000 pieces needed for panels depicting flowers and royal emblems.

The czar's daughter Elizabeth later reassembled the Amber Room in the Catherine Palace outside St. Petersburg, where it was dismantled by German troops and taken to Königsberg in East Prussia. There it vanished, leaving no trace when the Red Army captured the Baltic city (renamed Kaliningrad, and still Russian).

Theories of what happened proliferated: The Amber Room was destroyed by bombs, sunk at sea, hidden underground somewhere in Germany or sold to a rich Western collector. Hence the flurry when German police recovered in Bremen an Amber Room mosaic that a lawyer was trying to sell for $2.5 million (the entire room is worth some $150 million). A second object turned up when a reader in Berlin recognized in a news picture a chest she had bought in the 1970s in East Germany.

So the hunt is on, and possibly the rest of the room may turn up in Germany, as was the case in Russia with long-lost treasures of Troy and missing Impressionist masterpieces.

The Russian Parliament's move to seize all such valuables is bad policy and law. It would flout a 1990 Soviet agreement with Germany. Proponents of treating art as reparations ignore the fact that many works seized by the Russians came from museums and collectors in the Netherlands, Hungary, Poland, Ukraine and elsewhere.

In truth, grabbing art was an equal-opportunity wartime offense. This became embarrassingly evident at a 1995 conference in New York on "The Spoils of War." An international newsletter inspired by the conference can barely keep up with fresh disclosures about plundered art. Paintings worth millions, mostly seized from Jewish collectors, were silently absorbed into French national collections, a fact unearthed by Hector Feliciano in "The Lost Museum." The most sensational American heist was a GI's theft in Germany of the Quedlinburg manuscript, worth $30 million.

It has taken 50 years for the truth to emerge. One may reasonably hope that lawful and orderly restitution will take less time.

—THE NEW YORK TIMES.

Asian Connection

The Senate hearings on the fund-raising abuses in last year's presidential campaign have got off to a respectable start. The White House of course suggests otherwise. The president's people denigrate the results thus far on grounds that what has been learned is either not new or not important. It seems to us a little early for such dismissals.

The committee's purpose is not to entertain but to build a record of what happened. That is bound to be a plodding process much of the time — and most of the people whose business it is to follow government and who make up the primary audience for these hearings are jaded on the subject of campaign finance. We include ourselves.

Did a party at interest give a candidate tens or even hundreds of thousands of dollars? Did the money have to be laundered to get around the law? Did donor and candidate alike understand what they were doing? Sure they did, but we hear and we yawn. That is the standard of judgment that the White House seeks to take advantage of, but that the people conducting the hearings cannot afford.

It is not the case that the first six days of hearings produced nothing new. They had to do mainly with John Huang, the fund-raiser for the Democratic National Committee whose efforts on the president's behalf have kept him at the forward edge of the story since last fall.

When his name first surfaced not just as a fund-raiser but as a frequent White House visitor, the White House claimed scarcely to know who he was. The official response to the earliest inquiries was, John Who? But of course they knew. Now we know, thanks to the Senate committee, that Mr. Huang had raised at least $50,000 in illegal foreign contributions for the president's campaign in 1992. The DNC has dutifully added that to the already impressive sum collected by Mr. Huang that it feels bound to return.

Mr. Huang, when he raised that money, was a senior U.S. employee of the Lippo Group, a conglomerate controlled by the Riady family of Indonesia, whose long association with the Clintons dates from his years as governor of Arkansas.

Between his employment at Lippo and tour at the DNC, Mr. Huang was given a political appointment in the Commerce Department having to do with trade. It is not clear what his particular qualifications were for the job, nor what his agenda was — nor to what extent while serving there he either quit raising political funds or severed his ties to Lippo. Lippo in turn has an extensive business relationship with the Chinese government, which is accused of having tried to buy influence in the last U.S. election through campaign contributions.

The committee staff, without providing answers, raised questions last week about what Mr. Huang was doing at Commerce — in whose behalf was he working? Democrats promptly accused the Republicans of trying Mr. Huang in absentia. But of course the reason he was absent was that he refuses on Fifth Amendment grounds to appear before the panel unless immunized against criminal prosecution.

We have no idea what the outer bound of Mr. Huang's activities may have been, but plainly it is a subject that needs to be explored. We know a little more about it now than we did two weeks ago; the committee has made at least some progress. And of course there are other subjects out there — other people who appear to have helped move money from Asian sources into the campaign, for example.

But the issue in this should not be whether the Chinese — or the Taiwanese, or the tobacco lobby, or the highway lobby or any other interest you can think of — were trying to buy influence with U.S. politicians. Stipulate that, one way or another, they all were; the world is full of willing buyers. The question is who was selling, or allowing the buyers to think he might sell — much the same thing.

On what basis did the president and his people, including Mr. Huang, go about raising the vast amount of money they did? And if you agree that what happened last year was wrong — that sooner or later the need for and presence of so much money in the system will corrupt the democratic process — how do you keep it from recurring? That is where we think the committee inquiry should end up. For now, let's see what more the senators can find out.

— THE WASHINGTON POST.

Other Comment

Yes, Seize Karadzic

The fate of the wily Radovan Karadzic may prove to be the key to rebuilding Bosnia. Despite the risk of casualties, NATO should not flinch from trying to seize him — at the right moment. His bodyguards will have noted that, on earlier raids, British troops shot only those who resisted. Any attempt to remove Mr. Karadzic and his clique will draw the West uncomfortably into the internal politics of the Bosnian Serbs. But if there is lesson of the past five years, it is that half-hearted intervention achieves little.

— The Economist (London).

A Deal With China That America Mustn't Make

By Jim Hoagland

WASHINGTON — An inquiry is under way at the Pentagon and elsewhere in the U.S. foreign policy establishment into signs of a developing opposition in Beijing to America's long-term military presence in Asia. A quarter-century of Chinese ambivalence about the stationing of U.S. warships, aircraft and troops in the Pacific appears to be hardening into suspicion and ultimate rejection of the present balance of power in the region.

China is on the mind of official Washington as no country has been since the Soviet Union at the height of the Cold War.

Beijing inspires greed, fear and hope on a grand scale in the American mind, where dreams of great wealth compete with fears that Fu Manchu runs the Politburo in Beijing.

Meanwhile, a Senate probe has come up with substantial evidence that senior Chinese officials did plan to divert some of their lobbying effort and money directly into U.S. political campaigns in ways that probably violated U.S. law. How much and to what purpose is likely never to be clear.

The Chinese government, at Tiananmen Square and elsewhere, has proved that even when smoking guns are produced, it never admits wrongdoing. And the U.S. government is unlikely to disclose officially the intelligence intercepts that seem to have alerted it to the Chinese plan.

Beijing and the Clinton administration both hope that the campaign finance scandal will blow over. An ambiguous outcome to the scandal investigations would permit the mid-autumn Washington summit that President Bill Clinton has scheduled with President Jiang Zemin to stay on track.

Harder for the two leaders to sweep aside are the emerging signs that China no longer sees a long-term large U.S. military presence in the Pacific as stabilizing. Having pocketed Hong Kong, China has turned to planning absorption of Taiwan as its next big project.

On this subject, U.S. and Chinese interests diverge and could produce armed conflict. In this scenario, American forces in the region become a serious impediment for China's single most important ambition at the beginning of the next century.

Since the Nixon administration adopted Beijing as a strategic ally against Moscow in 1972, China has been studiously ambiguous about America's military facilities in Japan, South Korea and Southeast Asia. Official Chinese comments about foreign bases as the outmoded legacy of colonialism have traditionally been balanced by informal but authoritative praise for the U.S. role as "the cork in the bottle" of Japanese militarism.

A Chinese academician explains Beijing's view this way: If China were asked to pay the cost of U.S. bases in Japan as a way of keeping Japan from pursuing nuclear weapons and a strong military, it would be in China's interest to pay the cost.

Beijing has seemed to welcome the U.S. presence in South Korea as preventing warfare on China's border. At the same time, Beijing openly opposes any U.S. military presence that inhibits its freedom of action in the Taiwan Strait or the South China Sea.

This once delicate balance has shifted as disagreement over Taiwan has mounted, with Beijing reacting in fury to moves by the Bush and Clinton administrations to support Taiwan militarily. The recent American effort to get Japan to take on more military responsibility for the region has also stirred Chinese resentment and suspicion.

"Asian security should be decided by Asians," said Chinese Foreign Ministry spokesman Shen Guofang in April. His comment took U.S. military analysts aback, and was cited last month by the Far Eastern Economic Review as part of a developing Chinese diplomatic campaign against the U.S.-Japanese partnership in the Pacific.

China now advocates replacing bilateral security arrangements with free-floating multilateral regional organizations, much as the Soviet Union once proposed that NATO be dismantled and a Common European Home established.

These moves suggest that President Clinton will be pushed hard in the autumn summit to weaken U.S. defense commitments to Taiwan and Japan as the price for a strategic partnership with Beijing and access to the El Dorado riches that American companies seek in China.

Only one answer can be acceptable in that case: No deal.

The Washington Post.

For Cambodians, Legitimacy Now and Fair Elections in 1998

By Aurelia Brazeal

The writer is U.S. deputy assistant secretary of state for East Asian and Pacific affairs.

WASHINGTON — Second Prime Minister Hun Sen has declared that Prince Norodom Ranariddh, whom his military forces ousted this month, is no longer first prime minister, and that the international community should stay out of Cambodian affairs. Those statements are completely unacceptable.

Any attempt to depose the party that won the plurality of votes in elections in 1993 sponsored by the United Nations would mean that Hun Sen has forfeited the legitimacy that the government previously enjoyed. It would destroy the basis for constructive relations with America and, we expect, the rest of the international community.

The United States has formulated a set of core principles to guide reactions to this crisis.

- The violence that overturned the results of the 1993 elections is unacceptable. Fighting must stop immediately.
- All political parties must be allowed to operate freely.
- There must be free and fair elections in 1998.
- We oppose any political role for the leaders of the Khmer Rouge. Those responsible for crimes against humanity should be brought to justice.
- The framework of the 1991 Paris Peace Accords on Cambodia, which were signed by 18 countries and laid the basis for stability, democracy and economic growth in the country, must be reinstated.

To underline U.S. disapproval of Hun Sen's actions, we have announced the suspension of our aid to Cambodia for 30 days. During that period, we will review our assistance programs, both civil and military, and decide which should be suspended indefinitely.

Decisions on specific aid projects have not been made yet, but we anticipate continuing some people-to-people programs that address basic human needs and democracy. Some humanitarian programs already under way are being continued.

We do not believe it is appropriate to make the Cambodian people suffer further for the transgressions of their leaders.

The United States will not be prepared to resume any assistance that benefits the government directly. We expect to follow a similar approach when voting on loans from international financial institutions.

The United States and the international community have made a considerable investment in the promotion of stability, democracy and economic development in Cambodia since the signing of the Paris accords. The long-term goal of American diplomacy is to restore the framework of the accords.

What we have in Cambodia today is a situation in which rules and standards have been violated, but that is better than having no rules and standards at all.

It is clear that the country still has a long way to go before we can say it is securely on the road to being a stable democracy. However, that is still a worthy goal, supported by the vast majority of Cambodians, and we believe that it is still within reach. The United States must, and will, stay engaged.

The Paris accords provided for the introduction of a UN peacekeeping force to supervise the demobilization of factional forces, establish a neutral political environment and hold free and fair elections. The UN Transitional Authority encountered serious challenges, but it was successful in establishing the framework that has brought genuine pluralism and the beginnings of democracy. Restoring that framework is the only way to achieve stability and peace in the tortured country.

We call on Hun Sen to restore to the royalist party the leading role in government that it won in the 1993 elections, and make concrete preparations for free and fair elections in 1998. Unless he is willing to take those steps, America will not resume the cooperative relationship we have had with the Cambodian government, nor will we reinstate our sizable aid program.

Next year's elections should they take place, will require considerable assistance from the international community. Even before this mounting crisis, it was clear that Cambodia lacked the capacity to organize free and fair elections on its own. Thus, roughly 25 percent of America's aid program was focused on democracy and governance programs to train jurists, lawyers and legislators, and build the legal infrastructure that a democracy requires.

The United States would like to be in a position to resume that kind of aid. If the elections take place, we would also like to be there with monitors and observers, as in 1993. Unless we and other countries are able to help, there is little if any chance that elections can be free and fair.

This comment has been adapted by the International Herald Tribune from testimony to a congressional panel in Washington last Wednesday.

A Two-Speed Europe Looks Like the Best Solution Available

By William Pfaff

PARIS — The future of Europe was decided last week, although Europeans do not yet realize it. There are going to be two "Europes."

Last Tuesday, the European Commission told the European Parliament that it recommended inviting five former Soviet-bloc countries to join the European Union. These are the three already invited to join NATO (the Czech Republic, Poland, and Hungary) plus Estonia and Slovenia.

The following day, the Commission took note of the radical structural changes necessary to make the European Union work, but postponed acting on them until the new millennium.

Jacques Santer, head of the Commission, said that in 2000 there must be another intergovernmental conference to change the decision-making structures of Europe and reform the common agricultural policy and the distribution of regional funds.

That was supposed to have been done last month in Amsterdam. The EU governments met to revise the reforms included in the Maastricht treaty, but failed to agree. All the important issues are once again pushed off into the future.

The decision to expand is the Union's way to run away from its problems. It will expand, and after that think about how to make an expanded Europe work — even though today, with only 15 members, its members have proved incapable of dealing with the problems of weighted voting, or of reforming policies on agricultural and regional subsidies that everyone knows are indefensible.

The old debate about "widening" Europe versus "deepening" it took place between those who wanted a centralized Europe to function as a single nation and those who have wanted a looser association of sovereign nations. Expansion settles the debate. There can be no centralized union or effective decision-taking with 20 to 30 members.

As a commentator in the Paris newspaper *Libération* says, expansion means "the UN without a Security Council."

However, another Europe of six or seven members is about to be created. If the single currency project succeeds, there will be a small, fiscally integrated Europe with a single currency and integrated economy, and another Europe without them. The two will be related, but distinct.

The European single currency creates a new "Europe" inside the old one. This Europe will have subordinated its national fiscal policies, and to a considerable extent its national budget policies, to a new independent European reserve bank, which will experience an as yet undefined form of political oversight. This Europe will have bestowed upon itself a degree of integration and "deepening" never before achieved.

Fiscal integration will inevitably draw this Europe's members into an increasingly complex economic integration, with important political consequences. States with a single currency cannot avoid practicing the same or parallel national economic priorities and budget choices, and these are fundamental to the larger course of their governments.

The countries who will belong to this group are the same ones which invented European unification in the 1950s: France, Germany and the three Benelux countries; Italy, another of the original six members of "Europe," is also determined to be part of it, and France insists that Italy must belong. Otherwise, Austria is expected to be a member. (Its currency is already anchored to the Deutsche mark.)

This is core Europe. If the European Union had remained at six members, its integration would undoubtedly be much more advanced than it is now. There might not only be a single currency already but the rudiments of a coherent European foreign and security policy.

With expansion to 15 countries, members were brought in whose views, outlook, ambitions and interests diverged from those of the original group.

The decision to expand was laudable, indeed inevitable since expansion was inherent in the original European vision. But the conflict between the demands of expansion and those of closer integration were underestimated from the start. These are responsible for the confusion and failures of the European Union as it now exists.

The future belongs to two Europes, related but separate. One will be small, far more integrated than today, able to make decisions, capable of playing a world role in political affairs as well as economics.

The second will be large, more loosely associated, sharing a single market with the other Europe, its members enjoying variable links to the core economy and core currency, cooperating with core Europe on a great many issues but not bound by its decisions, nor able to block them.

This is the solution that seems dictated by Europe's realities. It is not a bad solution. It gives all what they really want. It creates one Europe that can act, and weigh in world affairs, together with a second, associated Europe which is secure, cooperative, conscious of its community with the others, but whose members are free in what each chooses to take from the Union, and in what each commits to it.

International Herald Tribune & Los Angeles Times Syndicate.

A Handy Drop Across the Street

By William Safire

WASHINGTON — A "drop," in spookspeak, is a clandestine place to deposit and receive documents. It can be an office or friend's house. John Huang's drop was conveniently across the street from his government office. It was a room in a suite rented by Stephens Inc., part of the Little Rock financial empire from which flowed the millions in loans that saved the 1992 Clinton campaign.

The Riady family of Indonesia, whose Lippo Group put Mr. Huang in a top secret spot in the Clinton administration, did a lot of business with Jackson Stephens.

At informative Thompson committee hearings last week, we learned that Mr. Huang, Lippo's man at Clinton Commerce, received a call on the average of twice a week from a secretary in the Stephens drop who was instructed not to leave her boss's name. Mr. Huang would then cross the street to pick up and send express packages and use the Stephens phone.

We know that Mr. Huang spoke to former Lippo associates at least 237 times in his 14 months at his sensitive trade post. ("That number troubles me," said Senator Joseph Lieberman.) Hard evidence that Mr. Huang spoke to the Lippo conduit to China practically every day came on top of testimony from a security-unconscious CIA that Mr. Huang (whose 67 visits to the Clinton White House and six visits to the Chinese Embassy set a world record for midlevel bureaucrats) was shown raw intelligence data on 37 occasions by his personal CIA "briefer."

This included a top secret assessment of the leadership succession in China from a U.S. agent whose life would be forfeited if the raw data blew his cover.

The Senate's steady building of a case should shame lethargic Justice Department investigators. Questions:

- Has the Public Integrity section of Justice obtained records from Fedex and other private mail services to determine who sent the thick envelopes delivered to Mr. Huang at his Stephens drop?
- Has Justice taken all overseas and Canadian phone numbers called by Mr. Huang from his home, cell phone, Commerce and DNC offices?
- Has the FBI interviewed Vice President Al Gore about his meeting at a $300,000 Santa Monica fund-raiser on Sept. 27, 1994, with Shen Jueren, chairman of China Resources? Does Justice know that Mr. Shen was Beijing's partner with Lippo in a Hong Kong bank notorious as a front for Chinese espionage?

In that regard, Mr. Thompson released a letter from Mr. Huang effusively thanking Jack Quinn, then Mr. Gore's chief of staff, for meeting with Mr. Huang and Mr. Shen three days before that California fund-raiser. Has the Justice Department with its 40 assigned FBI agents (eight months into its investigation) asked Mr. Gore or Mr. Quinn about the Shen contacts?

Here is my theory: For five years, money from Asia has been flowing into the Clinton campaigns, and for five years, information and policy accommodations have been flowing out of the administration to Asian governments.

As money moved from the East and data moved from the West, Lippo — with its operatives in Washington, Little Rock, Jakarta and Hong Kong — was the middleman.

The New York Times

Herald International Tribune
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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Belgian Strike

MONS — The strike of miners still continues. The expected resumption of work in the southern district has not taken place. The number of strikers is as great as ever. The strike has now lasted four weeks. The misery among the miners is indescribable. Delegates have been sent to other Belgian cities and to foreign countries to collect funds. Belgian trade is suffering greatly from the want of coal.

1922: Helping China

PARIS — The question whether America made a good investment when she remitted a part of the Boxer indemnity that was due her from China has since been undergoing something of a test. The planting and fostering of the republican spirit in China is undoubtedly mostly due to America. The welcome given by the Chinese to American enterprise and trade is part of the reward which we have reaped and may yet more largely reap from the just, kindly and appreciative attitude of our Government and our people towards that immensely older nation.

1947: Aung San Killed

LONDON — Seven members of the Burmese government including U Aung San, deputy chairman of the Executive Council, were shot and killed in a murderous attack by five gunmen during a meeting of the council in Rangoon. Extremist elements in Burma have been increasingly active of late in opposition to the anti-Fascist People's Freedom League. Burma's largest party, led by U Aung San. This opposition has been growing since January when Burmese leaders came to London to consult with the Labor government on Burmese independence.

هكذا من الاصل

هكذا من الاصل

LANGUAGE

The Fad for JammedTogether Names

By William Safire



NicoLe Acar/IHT

WASHINGTON — Typo-poetry is a treat for the eyes. John Kearney, of Marina Del Rey, California, noted this from Variety, the weekly: "John Caley pointed to a number of high-profil pics that are thisclose to a greenlight."

A *greenight*, as a single word, is a metaphoric step forward. When a traffic ligh turns green and the guy behind you splits a second by honking, that's a *gren light*, two words. When a city designates a neighborhood for strip joints and porno parlors, that's a *red-light district*, with the red light hyphenated to become a compound modifier. But when the signal is an extension of the metaphor of the green traffic signal to a nodded approval of high-profile pics, an argument can be made for experimenting with a single-word noun, *greenlight*. It's not standard Engish, but I'd give the pioneering usge an amberlight.

What ickled me even more was Variety' use of *thisclose*. You can just see the numb and forefinger a half-centimeter apart. It's a typographical word-picure — visual prosody — especiallyapt for describing moguls in s t r e t h limousines.

Closig up words that are attracted to each other is a *neverending* process; something there is that doesn't like a hyphen, and there goes *never-ending*. This is a *windup* (formerly *wind-up*) to today's pitch: we are in the grip of a fad that compresses proper names and ordinary words into visual identifiers.

Peter Osnos left the Times Books division of Random House to start his independent publishing company, PublicAffairs. One word, with a capital in the middle. I used to think this trend started with companies that affected computer lingo — CompuServe, DigiCash, WordPerfect, HotJava — but the lexicographer Richard Weiner, who I suspect coined *inner-capped* on the analogy of the mafia's *kneecapping*, reminds me of the 1959 TelePrompTer. (That is still a trademark and requires initial capitalization, but few use *inner caps* to describe the reading device by which tongue-tied anchorpeople become hyperarticulate.) And BankAmerica must have saved millions by excising its *of* back in 1954.

Before *inner caps*, companies and products used hyphens. Sun-Maid, Star-Kist and Sani-Flush followed the 1925 Old Gran-Dad. In 1927, we had Kool-Aid; in 1994, Coca-Cola — which is keeping its own hyphen — marketed its Gatorade-like PowerAde.

O.K. How do we handle this manipulation of our media by marketers who want to catch our attention with tricky typography? Wired magazine goes slavishly along with what it calls *intercaps*, though it draws the line at all caps. I prefer The New York Times's solution. From The New York Times's stylebook: "Contrived spelling in which the letters are capitalized should not be used unless the second portion of the name is a proper noun." Thus, *Pepsico*, not *PepsiCo*; *Compuserve*, not *CompuServe*. That means *BankAmerica* is O.K., but *NationsBank* is written *Nationsbank* because "America" is a proper name and "bank" is not. It's a lucky thing we caught this in time. We came *thisclose*. . . .

New York Times Service

CROSSWORD

ACROSS

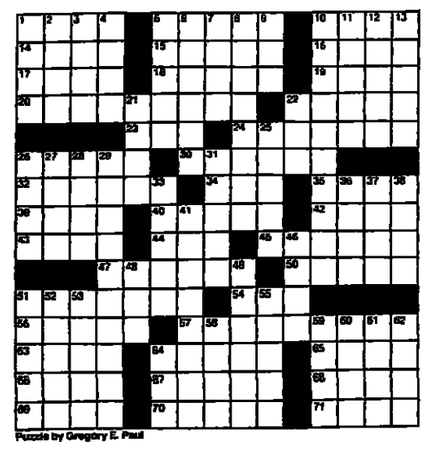
1 "Quite contrary" nursery rhyme girl
5 Sudden outpouring
10 June 6, 1944
14 Pinza of "South Pacific"
15 "Here trouble!"
16 Straight line
17 Chest organ
18 Make amends (for)
19 Goat's-milk cheese
20 60's TV medical drama
22 Detective Lord —— Wimsey
23 Guinness suffix
24 Shooting stars
26 World Wildlife Fund's symbol
30 "The Hairy Ape" playwright
32 Gets educated
34 Finale
35 Deep cut
39 Saharan
40 Writer Bret
42 Butter alternative
43 —— contendere (court plea)
44 Kind of "vu" in a classified
45 Colossus of ——
47 Hardy's partner
50 Get used (to)
51 Medicine injector
54 Neighbor of Syr.
56 Enough to sink one's teeth into
57 Pasternak hero
63 "—— just me or . . .?"
64 Indian corn
65 Not theirs
66 Rat (on)
67 TV's "Kate & ——"
68 Romance lang.
69 In —— (actually)
70 She had "the face that launched a thousand ships"
71 Fuddy-duddy

DOWN

1 Blend
2 Côte d'——
3 N.H.L. venue
4 Cartoon bear
5 Oodles
6 Latke ingredient
7 Cupid
8 Rent-controlled building, maybe
9 WNW's opposite
10 British rock group since the mid-70's
11 Because of
12 Take up, as a hem
13 Sophomore and junior, e.g.
21 Low-fat
22 —— Club (onetime TV group)
25 Downy duck
26 Scheme
27 Prefix with dynamic
28 It gets hit on the head
29 1967 Rex Harrison film role
31 Moxie
33 Shoulder motion
36 Actor Alan
37 Trickle
38 Party thrower
41 Wury dog
46 Spy Mata ——
48 Unspecified one
49 Tin ——
51 Wallop
52 O.K.'s
53 Train tracks
55 Luster
58 Streamlet
59 Empty
60 Garage occupant
61 Alum
62 Sonya Henie's birthplace
64 ——-jongg

Solution to Puzzle of July 18

T	A	M	A	L	E	S		C	P	O		O	F	F
A	N	I	M	A	T	E		A	R	S	E	N	A	L
I	N	S	I	G	H	T		N	O	T	N	I	C	E
L	U	G		S	O	T		E	G	E	S	T	E	D
S	L	O	P		S	O	S		R	O	C			
		V	O	N			P	T	A		O	S	L	O
T	H	E	L	A	T	E	L	A	M	E	N	T	E	D
A	E	R	O	B	I	C	E	X	E	R	C	I	S	E
B	A	N	N	E	R	H	E	A	D	L	I	N	E	S
U	P	S	A		E	O	N			E	N	G		
			I	F	I		S	A	T		G	I	B	E
E	Y	E	S	O	R	E		B	I	T		N	U	S
Y	U	L	E	L	O	G		E	A	G	L	E	T	S
R	A	I	S	I	N	G		T	R	I	E	S	T	E
E	N	E		O	S	S		S	A	F	E	S	E	X



Puzzle by Gregory E. Paul

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BOOKS

DOG'S BEST FRIEND:
Annalsof the Dog-Human Relationship

By MarDerr. 380 pages. $25. Henry Holt & Co.

Reviewd by Christopher Lehmann-Haupt

IN thetle of Mark Derr's contentious new book, "Dog's Best Frien: Annals of the Dog-Human Relationship," the word "frienc" of course, refers to human beings. But you wouldn't know rit from much of Derr's text, which is sharply critical of how pple have treated dogs for the last century or so.

At tr heart of Derr's text lies the views he expressed in a controersial article, "The Politics of Dogs," published in The Atlant in March 1990. As he sums up what he wrote: "I explod charges, which had been floating around the fancy and dog wrld for years, that overbreeding dogs for the American Kenn Club show ring was producing dogs unable to perform their aditional functions or even enjoy healthy lives."

Helaborates: "In essence, the inbreeding of animals for appeance alone and the mass production of puppies to feed consner demand have led to an epidemic of genetic disorders and e loss of temperamental soundness and working ability in rst purebred dogs recognized by the AKC." In "Dog's Bes friend," the animus behind these views infects almost evething that Derr communicates.

Tbe sure, he tries to get away from his underlying thesis. At st, he acts as if he is about to take the reader on a casual touthrough the world of dogs, which, as he writes, have beme so popular that "by most reliable surveys, 38 percent of e households in the United States have one or more dogs —stimated at 50 to 57 million — while only 35 percent have chlren." "I am a fan of dogs," Derr confesses at the outset, "collector of dog anecdotes."

or a while you think you're going to feast on such anecotes. Derr writes of a beloved dog who mysteriously got out ofe house to greet his owners coming home from work the evning before he died. He describes the range of things dogs c: detect with their extraordinary sense of smell: narcotics, crency, fruit and snakes in luggage; gas at the site of arson; cvs in estrus; cadavers in a bombed building, and truffles.

3ut Derr — whose previous books are "Some Kind of Fadise," a social and environmental history of Florida, and "he Frontiersman: The Real Life and the Many Legends of Ivy Crockett" — has not organized his text well.

LL too repeatedly his arguments collapse into his obsessions: While dogs, whether purebred or mongrel, are neralists by nature, inbreeding tends to overspecialize them, oducing genetic monstrosities. With too much emphasis on eeding, handlers underrate training, which should never dend on punishment. True dog people don't own their animals; ey collaborate by getting "inside the minds of their dogs."

In the end, Derr's one-track arguments wear you into brudging agreement. Appearances shouldn't be everything in ood dogs; performance ought to matter, whether it be dragging sled or leaping for a Frisbee. Derr also includes solid practical dvice on how to go about buying a dog. For all its blather, this s a useful book.

You only wish Derr hadn't wasted so much tendentious prose arriving at what is worthwhile in "Dog's Best Friend."

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

LAPT Chan, Jon Heller, Brad Moss, Elizabeth Reich ad Jim Krekorian, came within an inch of defeat recently winning by just one imp against a foursome headed by Kitty Munson.

The iagramed deal, on which bth North-South pairs reached an optimistic four spades, was crucial. When Moss as declarer he received trump lead and captured ast's nine with the king.

He mediately led a heart, and Vest snatched the ace, cashe the diamond ace and contred with the diamond nine.

Ea won, and he could not be sr who held the remaining dmond. If South held it, and his clubs were A-K-J-x, a trump return would permit South to win in dummy, throw his diamond on the heart king, and take a club finesse. Then the declarer would cash his club winners, ruff a club, and trap East's nine-six of trumps in a coup position.

So with considerable misgivings, East attempted to cash his diamond king, which proved very wrong. South ruffed with the spade queen, cashed the club ace and ruffed a club. Then he discarded two club losers on the heart king, and the diamond queen, leaving the ending shown below.

South ruffed a heart, ruffed a club, and caught East in the same coup position he had been trying to avoid. East should have considered that his partner's choice of a singleton trump lead implied some club-strength. As it was, Moss, by making a contract that failed in the replay, gained 10 imps.

NORTH
♠ J 7 4
♡ K J 10 8 2
◇ Q 8 7 4
♣ 6

WEST
♠ 5
♡ A 9 5 4
◇ A 3
♣ 9 7 2

EAST
♠ 10 9 6 3
♡ 8 3
◇ K J 10 5
♣ Q 5 3

SOUTH (D)
♠ A K Q 8 2
♡ 7
◇ 6 2
♣ A J 10 9 4

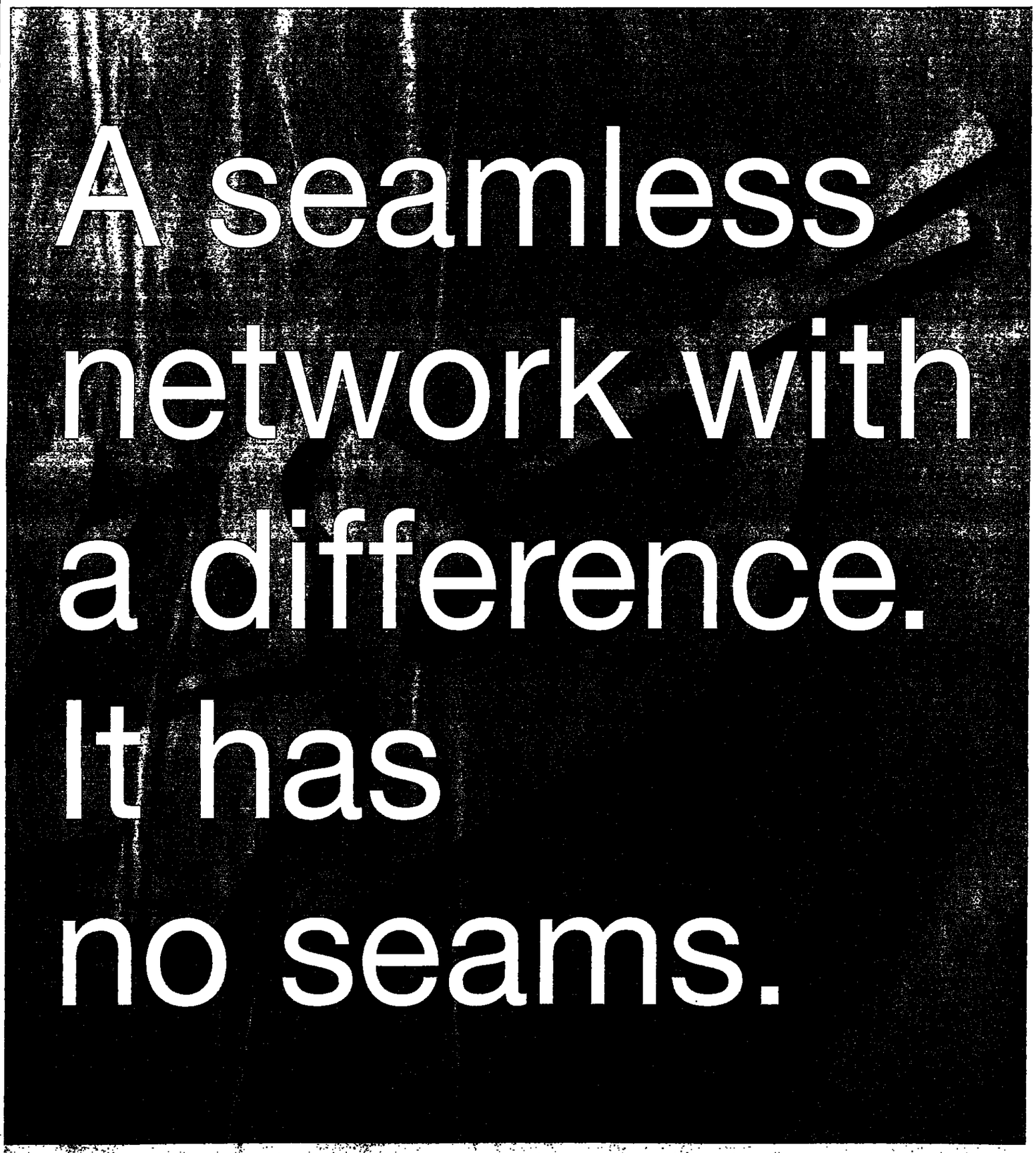
Nher side was vulnerable. The bid-
di
Ea South West North
1♠ 2♡ 2♠
4♠ Pass Pass
Pss
st led the spade five.

NORTH
♠ J
♡ J 10 6
◇ —
♣ —

WEST
♠ —
♡ Q 9
◇ —
♣ K 8

EAST
♠ 10 6 3
♡ —
◇ —
♣ Q

SOUTH
♠ A 8 5
♡ —
◇ —
♣ J



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75 AND 50 YEARS AGO

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1947: Aung San Killed

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Ali Jarekji/Reuters

Students holding the Koran while marching Sunday in support of Ahmed Mousa Daqamseh, convicted in the killing of seven Israeli girls. About 1,000 university students took part in the demonstration in Amman.

Life Term for Jordanian Who Killed 7

The Associated Press

NAOUR, Jordan — A military court has convicted a Jordanian soldier of killing seven Israeli schoolgirls in March and sentenced him to life in prison.

The soldier, Corporal Ahmed Mousa Daqamseh, 26, had been charged with the premeditated murder of the girls, who were shot to death during an outing on the island of Naharayim, in the Jordan River.

The corporal could have been sentenced to death, but the court handed down a life sentence Saturday, saying he was mentally unstable, said Brigadier Maamoun Khassawneh, who presided over the five-man military tribunal.

"The court found that the act was instantaneous and there was no premeditation," he said.

He added that the tribunal believed the defendant suffered from an "antisocial personality disorder."

The court also convicted him of plotting to kill Israelis since 1993, threatening to shoot some of his fellow soldiers the day of the attack and disobeying army orders.

As part of the sentence, he was demoted to private and dismissed from the army, Brigadier Khassawneh said. Under Jordanian law, a life sentence is equivalent to 25 years in prison at hard labor.

The verdict cannot be appealed, but King Hussein, who visited Israel to console families of the victims, has the authority to reduce the sentence or cancel it.

Corporal Daqamseh, who pleaded innocent, said he fired at the schoolgirls because they had mocked and disturbed him while he was praying.

Palestinians Arrest Top Police Official

Gaza Colonel Was Accused by Israel of Ordering Attacks on Settlers

Compiled by Our Staff From Dispatches

JERUSALEM — Palestinian security officials, acting on orders from Yasser Arafat, have arrested a police commander accused by Israel of ordering attacks against Israelis, a Palestinian official said Sunday.

Brigadier General Saadi el-Naji, the head of a commission set up by Mr. Arafat to investigate the Israeli charges, said that Colonel Nafez Musmar Musaimi was one of four police officers arrested.

Israeli officials said Friday that they had proof that Colonel Musaimi, acting on orders from the Gaza police chief, Brigadier General Ghazi Jabali, sent squads under his command out on attacks.

Prime Minister Benjamin Netanyahu told his cabinet Sunday that Palestinian police involvement in attacks was "the most flagrant violation" of the Palestinian autonomy accord to date.

But his office said Israel was not satisfied with the arrest of Colonel Musaimi and wanted an inquiry into top Palestinian police commanders.

Mr. Arafat ordered the investigation with the aim of getting Israel and the Palestinians back to negotiations. Peace talks broke down after Israel broke ground in March for a new Jewish neighborhood in a disputed area of Jerusalem.

Israel had previously arrested four Palestinian policemen who they said intended to carry out attacks against Israelis.

It said Colonel Musaimi allegedly ordered his three officers to shoot at a settler's car last week, in which there were no casualties, and to plan another attack against the Braha settlement south of Nablus.

General Jabali on Saturday rejected the accusations as "only Israeli propaganda."

Foreign Minister David Levy held talks with the top Palestine Liberation Organization negotiator, Nabil Shaath, on Sunday as part of a European bid to advance the stalled Israeli-PLO peace moves before a Brussels meeting of European Union foreign ministers.

But negotiators were unable to announce a hoped-for meeting between Mr. Arafat and Mr. Levy at the EU's General Affairs Council meeting in Brussels on Tuesday.

The chief Palestinian negotiator, Saeb Erekat, said on Israeli radio that the United States was preparing a "package deal" designed to get the talks back on track.

The package, as reported by the radio, would temporarily freeze Jewish settlement construction and delay the second Israeli redeployment from the West Bank while accelerating negotiations toward a final-status agreement.

(AP, AFP, Reuters)

Next in Space: 'Thrills, Chills, Spills'

Ambitious Future Missions Promise to Spark Public Excitement

By William J. Broad
New York Times Service

NEW YORK — After decades in which the space program drew more yawns than cheers, the heavens are suddenly alive with the tragicomedy of the Russian space station Mir and the triumph of Mars Pathfinder's roving exploration of the red planet.

Policy analysts say the burst of activity hints at things to come.

The drama, they say, will continue or even rise in years ahead as astronauts

NEWS ANALYSIS

take on risky new jobs and waves of low-cost robots explore other worlds.

The public has been largely apathetic about the space shuttle since the excitement of the early launchings and missions, which began 16 years ago. The shuttle's job of hauling payloads to orbit is often seen as dull.

In contrast, the emerging phase of the U.S. space program is characterized by new promise and peril.

Dozens of probes are to head for comets and asteroids, moons and planets, deep space and beyond, analyzing the fabric of the heavens, searching for signs of extraterrestrial life and hunting for Earth-like worlds around distant stars.

Closer to home, astronauts are to build, service and repair an international space station the size of a football field — an endeavor steeped in the danger of sudden death.

"There's going to be thrills, chills and spills," said John Pike, director of space policy at the Federation of American Scientists, a private group in Washington. "All this stuff is exciting in a way the space program hasn't been for a long time."

Louis Friedman, executive director of the Planetary Society, a group in Pasadena, California, that advocates space exploration, said the program was entering a vigorous new phase.

"We're coming out of a slump," he said in an interview. "The 1980s were dark and lost. They were dark because we sent back no images from other worlds, and lost because we forgot why we were in space. 'Routine access' was the mantra, when what people really wanted was to explore new worlds."

"There's a sense of real vitality now," Mr. Friedman added. "The excitement has returned for the first time in decades."

The pace of activity is to pick up in the years ahead for robots and astronauts alike, and this is already creating a major challenge for people who are trying to keep track of the new undertakings.

"There are so many missions," said Donald Savage, a spokesman at the headquarters of the National Aeronautics and Space Administration in Washington. "It's difficult to keep up."

There is broad agreement that the high point of the U.S. space program occurred as men landed on the moon in the late 1960s and as the first wave of deep planetary probes swept the solar system in the 1970s.

After that, the program became bogged down in increasingly costly programs and spectacular failures, particularly the explosion in 1986 of the space shuttle Challenger, which killed seven astronauts. The Hubble Space Telescope was launched into orbit in 1990, only to have scientists learn that its main mirror was distorted by a serious flaw that astronauts later repaired.

The new era of revitalization is partly attributed by analysts to the influence of Daniel Goldin, who became the NASA administrator in early 1992 and started a vigorous campaign to make the agency's projects smaller, cheaper, faster and better, as he put it. He is still pushing that agenda hard.

The other rejuvenating factor is President Bill Clinton, who, soon after taking office in 1993, ordered NASA to abandon its long rivalry with Moscow and join its Russian counterparts in creating an East-West program of piloted exploration of the heavens.

It was the first time that the White House had paid close attention to the space program since the moon landings. The political goals of its order were to help strengthen the shaky Russian economy and to engage Moscow in constructive space work in exchange for ending practices such as exporting advanced rocket gear to developing countries.

To date, five American astronauts have lived and worked aboard Russia's Mir outpost. The East-West collaboration is to culminate in the international space station, a 470-ton, 356-foot (110-meter) behemoth that is to hold as many as seven people studying the heavens and the Earth, as well as things such as human physiology, while moving through space at more than 17,000 miles (27,000 kilometers) an hour.

The cascade of accidents that has shaken the 11-year-old Mir has raised questions about whether the station should be set aside in favor of the new one, which is viewed as safer.

But many analysts say that logic is flawed, that the new outpost will have its own accidents and dangers, some of which could be major.

"All the things that have happened could happen in the future," said Jerry Grey, policy director of the American Institute of Astronautics and Aeronautics in Washington, a professional group of aerospace engineers. "If we planned the use of Mir in the most effective way, we would have had all these accidents. It's invaluable experience."

The new outpost is to be assembled in space by astronauts. Just sending all the parts and crews into orbit will require 42 launchings, which are to begin next year. Construction is to be finished in 2003.

"There will be a fair amount of excitement" as astronauts work as orbital builders and mechanics, said John Logsdon, director of the Space Policy Institute at George Washington University.

He added that the drama would center on "fixing problems" and avoiding the risk of "killing people."

Earth Snag Delays Data From Mars

The Associated Press

LOS ANGELES — Technical problems on Earth blocked most data from the Mars Pathfinder over the weekend, delaying images of the moon Phobos, observations of morning fog and more rock measurements.

Mission controllers said they hoped to complete a retransmission of the stream of computerized photos and measurements on Sunday.

The problems, unrelated to computer resets on the Mars lander that delayed communications earlier in the mission, were caused in part by the incorrect setting of a radio antenna in Madrid, explained the project manager, Brian Muirhead, at NASA's Jet Propulsion Laboratory in Pasadena.

The antenna receives information from the Pathfinder robot probe, which has been exploring the surface of Mars since its July 4 landing.

The problem was compounded by an Earth-based computer reset and the lack of time the Pathfinder team had access to the global Deep Space Network of antennas, which was also being used to receive data from the Galileo mission to Jupiter.

A reset is a safety feature similar to hitting a reset button on a personal computer or other device.

Meanwhile, the rover Sojourner tried to touch and analyze a rock dubbed Scooby Doo with its sensors, but overshot its goal.

THAI Wins Award for Punctuality

STAFF WRITER

THAI Airways International (THAI) was recently awarded the 1996 "International Punctuality Award" for on-time take-offs and landings at Amsterdam's Schipol Airport.

Han Smits, President of Schipol Airport, presented the award to THAI at the annual New Year gathering organized by Schipol Airport Management. THAI was selected from 38 intercontinental air carriers operating from Amsterdam airport as the best on-time airline of the year.

THAI has been operating its Royal Orchid Service to Amsterdam for a total of 22 years.



STAR ALLIANCE

At Thai, our goal is to take off on time. It's nice to

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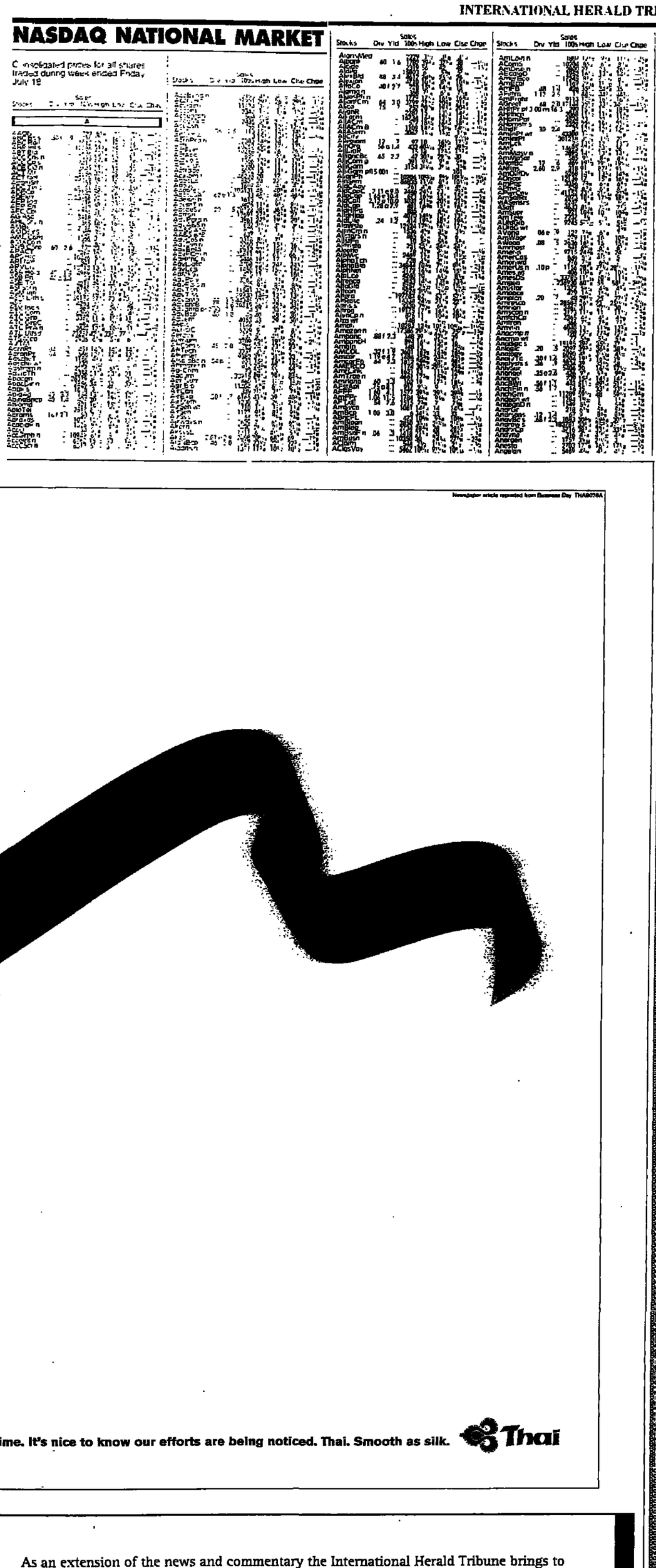
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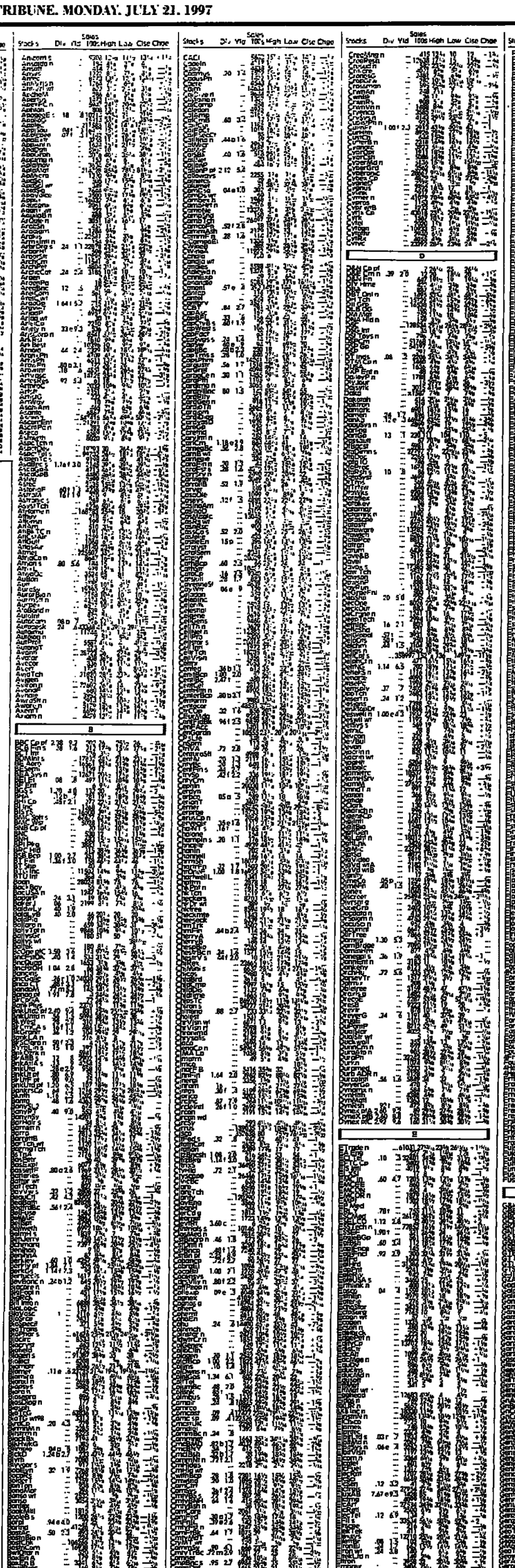
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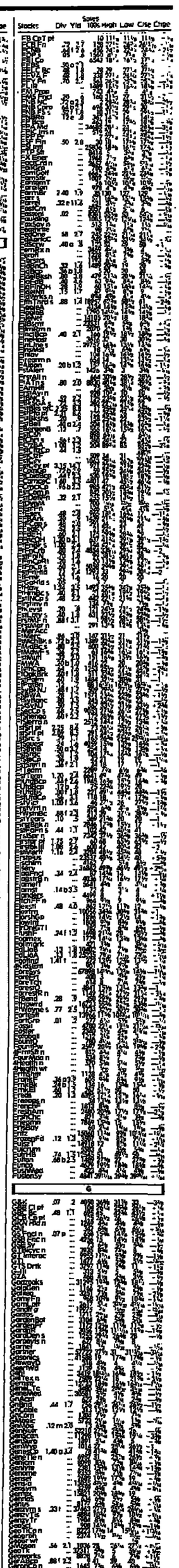
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday July 18









Continued on Page 14

Newspaper article reprinted from Business Day THA80706A

t Thai, our goal is to take the time. It's nice to know our efforts are being noticed. Thai. Smooth as silk. Thai

As an extension of the news and commentary the International Herald Tribune brings to its readers, the newspaper has a successful and highly-respected worldwide summit and conference program that focuses on economic, social and political issues. The program for the second half of 1997 includes:

■ Korea Summit	Seoul*	*September 10-11*
■ World Water: Financing for the Future	Istanbul	*September 30-October 1*
■ Romania Investment Summit	Bucharest	*October 29-30*
■ Oil & Money Conference	London	*November 18-19*
■ Southern Africa Trade & Investment Summit	Gaborone	*November 18-19*

For further information on any of these events, please contact Brenda Erdmann Hagerty, International Herald Tribune, 63 Long Acre, London WC2E 9JH.
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More Gains Are Seen, After a Pause

Bridge News

NEW YORK — Treasury bond prices are expected to resume their uptrend this week, but they may wait until after the testimony by the Federal Reserve Board chairman, Alan Greenspan, to do it.

Mr. Greenspan's semiannual appearance before Congress to discuss monetary policy and the state of the economy will take place Tuesday and Wednesday.

With almost all the economic news lining up in the Fed's favor, many traders see little reason to fear a near-term tightening and say that harsh words from the Fed chairman are equally unlikely.

"Demand is coming off, inflation is superbly behaved and still coming down," a bond trader said. "Greenspan is not going to derail anything."

But some still see a risk that Mr. Greenspan could sound unfriendly.

Ted Ake, head of government trading at Everen Securities Inc., said that signs of economic strength — which unnerve bond traders and investors because they often herald an increase in inflation — were beginning to appear in early third-quarter data and that "the second quarter never got as weak" as expected.

But Stephen Gallagher, director of

U.S. CREDIT MARKETS

U.S. economic research at Societe Generale, argued that corporate earnings had been growing strongly enough to justify the levels at which stocks were trading.

"We're still doing very well on the profit front," Mr. Gallagher said, noting that second-quarter corporate earnings had been running above expectations.

The yield on the benchmark 30-year Treasury bond finished Friday at 6.52 percent, down from 6.53 percent the previous week.

Analysts say they also will be listening for the Fed's estimate for 1997 U.S. growth, to see what it implies about their outlook for the second half of the year, and for any mention of real, or after-inflation, interest rates. With inflation numbers coming in lower than expected, real interest rates are higher, a factor that theoretically should help slow growth.

Traders are mostly upbeat about the Treasury's sale this week of two-year and five-year notes, given the recent dearth of Treasury paper. But they say the timing of Mr. Greenspan's testimony could be a problem, especially for the two-year bills, as the possibility of unfriendly comments from the Fed chief could hurt the auction that also starts Tuesday.

Greenspan Returns to Spotlight

Anxious Investors Await U.S. Fed Chief's Latest Inflation Views

By Carl Gewirtz
International Herald Tribune

PARIS — Investors around the world will be holding their breath and waiting for clues to the direction of U.S. interest rates Tuesday when Alan Greenspan, chairman of the Federal Reserve Board, delivers his semiannual report to Congress on the state of the U.S. economy.

The collective anxiety is not simply a function of the fact that interest rates affect stock prices and that these developments set the tone for European markets. Mr. Greenspan's testimony, which will continue Wednesday, also will be scoured for hints as to whether he is prepared to accept the controversial thesis that inflation is, and is likely to remain, held in check by the competition unleashed through the ever-increasing globalization of business.

The Fed has left rates unchanged since a quarter-point increase in March lifted its key overnight rate to 5.5 percent. At that time, Mr. Greenspan was warning against an "irrational exuberance" in financial markets. The Dow Jones industrial average had just passed 7,000 points, and the yield on 10-year government debt was 6.75 percent.

Last week, the Dow average briefly topped 8,000, and the yield on 10-year Treasury paper was 6.23 percent, flirting with lows not seen since the end of last year. Notwithstanding Friday's sharp bout of profit-taking in New York, European stock prices are also flying high, and long-term interest rates in the benchmark German bond market stand at 5.57 percent, a mere nine basis above their modern low of 5.48 percent.

Mr. Greenspan's testimony "comes at a crucial time," Don Smith of HSBC Markets in London said. "If Mr. Greenspan takes a hawkish line, the scope for a bond-market sell-off is large" — although he quickly added that he thought this unlikely.

With the U.S. federal deficit down sharply, inflation trailing expectations and economic activity believed to be well below the overheated pace of the first quarter, Mr. Smith said he expected Mr. Greenspan to signal a downward shift in interest-rate expectations.

But skeptics of the so-called New Age paradigm and its benign view on inflation remain. "Just as the combination of rapid growth and falling unemployment is leading to the classic results of rising labor costs and accelerating inflation in the U.K., we believe that the U.S. economy will be next to follow suit," Stephen Roach at Morgan Stanley said.

Jan Loeys at J.P. Morgan is equally adamant. "Government bonds have reached levels that are clearly overpriced," he said, given the third-quarter upswing predicted by Morgan analysts.

Against this uncertain background, it is no surprise that new-issue activity in the international bond markets has slowed sharply, particularly also with the onset of summer.

The exception is the U.S. dollar sector, which continues to attract investors looking for the relative safety of the currency, which has hit a six-year high against the Deutsche mark.

To insulate bond investors from a possible rise in U.S. interest rates, the bulk of the new dollar issues are very short-term — 21 months for Belgium's $400 million offering, for example.

Expected this week is a $500 million, five-year note for Imperial Chemical Industries PLC — its first bond offering under a $4 billion medium-term note program arranged by Deutsche Morgan Grenfell.

Mortgage Trusts: Out of the Shadows

By Larry Dignan
New York Times Service

NEW YORK — Gary Gordon remembers taking part in a panel at a recent investment conference about a multibillion-dollar industry — and the speakers almost outnumbered the audience.

The reason for the sparse crowd might have been the subject: an unusual American real estate investment trust that makes its money from owning mortgages, not property.

"They are so different from other REITs there wasn't a lot of interest," said Mr. Gordon, a stock analyst at Paine Webber.

These mortgage trusts are not exactly financial stocks, or traditional "brick and mortar" real estate trusts, either. And they are undercovered by analysts, undervalued by Wall Street and largely undiscovered because they are difficult to classify.

The trusts are relatively rare, too. There are only 18 public mortgage trusts, carrying a total capitalization of $6.1 billion, versus 169 public equity trusts, with a market cap of $94.4 billion.

But analysts say these unusual trusts may be attracting more attention, as interest rates remain stable and as real estate in general is on the upswing.

All real estate trusts must pay out 95 percent of their earnings in dividends, and that makes them favorites of investors who are looking for income or fretting about a market downturn. But trusts also carry risks: the biggest risk for mortgage trusts is higher interest rates.

Because they pay out nearly all their earnings, the mortgage trusts tend to be highly leveraged. Thus, their profits are largely determined by the difference between the interest they receive on their mortgages and the rates on their loans.

Quick, successive increases in interest rates, as in 1994, can raise borrowing costs with no immediate increase in income, reducing profits and dividends and sending stocks reeling. In 1994, many mortgage trusts were selling at book value, if not below, analysts said.

But with today's slow, steady economic growth and stable interest rates, mortgage trusts may be poised for good returns. And after the pummeling in 1994, many of them have diversified their businesses — writing and servicing mortgages, for example, or buying derivatives — to help protect them from rate fluctuations.

Moreover, these trusts have recently outperformed their more common cousins. According to the National Association of Real Estate Investment Trusts, the stocks of mortgage trusts had an average total return of almost 47 percent for the 12 months ended on June 30, while equity trusts gained 34 percent.

The near future also looks good — so good that another six mortgage trusts may go public within the next six months.

As long as rates remain stable, "there's a chance for 20 percent-plus total returns for the next year or so," said W. Coleman Bitting, an analyst with Stifel Nicolaus & Co., an investment bank in St. Louis, Missouri.

Among the mortgage trusts favored by managers is Criimi Mae, which buys the riskier parts of commercial mortgages that are "securitized," or split and rebundled. Ocwen Asset Investment, which went public in May, also invests in securitized commercial mortgages, and Imperial Credit Commercial Holdings, which is expected to go public in August, is planning to do so, too.

Other mortgage trusts, however focus on the residential market. Capstead Mortgage Holdings is one favorite of portfolio managers who mine this sector.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending July 18. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
Austrian Schilling					
161	Austria	5¼	07/15/07	100.2500	5.6100
219	Austria	6½	07/15/27	97.6000	6.4000
Australian Dollar					
172	Australia Tbills	zero	01/08/98	96.9322	6.6800
185	Fannie Mae	6½	07/10/02	101.1108	6.4300
198	Australia	7	04/15/00	105.2870	6.6500
Belgian Franc					
181	Belgium	9	03/28/03	120.3100	7.4800
British Pound					
130	World Bank	zero	07/17/00	78.9474	8.1800
203	EBRD	6.2000	02/14/00	97.7073	6.3500
243	Britain	7	11/06/01	99.4375	7.0400
Canadian Dollar					
191	Canada	7¼	06/01/07	110.0400	6.5900
Danish Krone					
4	Denmark	8	03/15/06	113.90	7.0200
16	Denmark	7	11/15/07	106.5000	6.5700
19	Denmark	7	12/15/04	108.1500	6.4700
23	Denmark	8	11/15/01	112.5200	7.1100
38	Denmark	9	11/15/98	106.2800	8.4700
42	Denmark	8	05/15/03	113.9500	7.0200
43	Denmark	9	11/15/00	113.7100	7.9100
52	Denmark	6	11/15/02	104.9000	5.7200
61	Denmark	6	12/10/99	103.7500	5.7800
70	Denmark	7	11/10/24	101.2000	6.9200
93	Real Kredit	6	10/01/26	92.1800	6.5100
105	Nykredit 3 Cs	6	10/01/26	91.9500	6.5300
122	Denmark	7	02/15/98	101.7200	6.8800
134	Denmark	6	02/15/99	103.0000	5.8300
153	Denmark	7	08/15/97	100.2050	6.9900
Deutsche Mark					
1	Germany	6	07/04/07	103.3922	5.8000
2	Germany	6	01/04/07	102.8100	5.8400
3	Bundesobligation	4½	02/22/02	96.3494	4.6700
6	Germany	6¼	04/26/06	105.3100	5.9300
7	Germany	8	01/21/02	114.1479	7.0100
8	Germany	5	08/20/01	101.5298	4.9200
10	Germany	6½	07/04/27	101.8667	6.3800
11	Germany	8	07/22/02	113.0383	7.0800
12	Germany	7⅜	01/03/05	110.6012	6.6700
13	Germany	6⅞	05/12/05	109.7340	6.2700
14	Germany	3½	06/18/99	98.1185	3.5700
15	Germany	4¾	11/20/01	101.4240	4.6800
17	Germany 94	6¼	01/04/24	98.8517	6.3200
18	Germany	6	01/05/06	103.7367	5.7800
20	Treuhand	7½	09/09/04	113.5333	6.6100
22	Treuhand	7⅞	12/02/02	112.2300	6.5700
24	Federal Tsy	3¾	03/19/99	98.5280	3.8100
25	Germany	5	05/21/01	102.8667	4.8600
27	Treuhand	7¼	10/01/02	112.7205	6.8800
30	Germany	6½	10/14/05	104.8969	6.2000
31	Germany	9	10/20/00	114.6000	7.8500
33	Treuhand	6⅞	06/11/03	109.7729	6.2600
34	Germany	5⅞	05/15/00	105.0875	5.5900
36	Treuhand	7⅛	01/29/03	111.1200	6.4100
39	Germany	6	02/16/06	103.7067	5.7900
41	Treuhand	6⅝	07/09/03	108.7200	6.0900
45	Treuhand	6½	04/23/03	106.0640	6.1300
48	Germany	8½	07/20/00	113.1433	7.7300
49	Germany	7½	11/11/04	113.6500	6.6000
50	Treuhand	6¾	05/13/04	109.2550	6.1800
51	Germany	5½	02/20/01	113.9525	7.4600
53	Germany	8⅜	05/21/01	114.3075	7.3300
54	Treuhand	6⅞	07/01/99	105.1100	6.0700
55	Treuhand	5	11/14/99	102.1900	4.8900
56	Germany	5½	08/22/00	104.9100	5.4800
57	Germany	5⅛	11/21/00	101.1841	5.0700
58	Germany	7⅛	12/20/02	108.9793	6.5400
60	Germany	6½	07/15/03	105.1900	6.0100
63	Germany	8¼	09/20/01	114.4400	7.2100
65	Germany	7	01/13/00	107.4900	6.5100
66	Germany	8½	08/20/01	113.7937	7.6900
68	Germany	6½	03/15/00	106.4850	6.1000
72	Germany	9	01/22/01	113.2392	7.9500
73	Germany	6¼	09/15/99	106.3600	6.3500
74	Germany	3½	09/18/98	100.2100	3.4900
75	Germany	6	09/15/03	105.0605	5.5600
76	Germany	3½	12/18/98	100.1200	3.5000
79	Treuhand	6	11/12/03	105.4600	5.6900
80	Germany	9¾	12/20/00	114.7200	7.7400
81	Germany	6⅛	05/20/99	104.5000	5.8600
82	Germany	6¾	07/15/04	109.3900	6.1700
83	Germany	5¼	02/21/01	101.5903	5.1700
84	Germany	6	06/20/16	98.1857	6.1100
85	Germany	6¾	04/22/03	109.3938	6.1700
90	Treuhand	5	12/17/98	102.1100	4.9000
100	Germany	6⅛	05/20/98	100.7325	6.3300
101	Germany Tbills	zero	10/17/97	99.3057	2.8000
102	Treuhand	6⅛	03/26/98	101.9500	6.0100
103	Treuhand	6¼	03/04/04	106.6300	5.8600
107	Germany	8½	08/21/00	112.6800	7.5400
112	Treuhand	6¼	07/29/99	105.0600	5.9500
115	Italy	5½	07/10/07	100.2000	5.7400
117	Germany	6	02/20/98	101.6000	5.9100
119	Germany	5⅜	02/22/99	102.8900	5.2200
121	Germany	6⅞	12/02/98	104.5100	6.5800
124	Germany	8	09/22/97	100.8000	7.9400
125	Germany	5¾	08/20/98	102.5500	5.6100
127	Germany	7¼	10/21/02	111.6200	6.5000
128	Treuhand	5¾	04/29/99	103.7300	5.5400
133	Germany	5¾	05/28/99	103.8600	5.5400
141	Germany	7	12/22/97	101.5700	6.8900
150	Germany	8¾	05/22/00	112.6667	7.7700
154	Germany	6	10/20/98	103.1400	5.8200
155	Freistaates B	6	10/30/06	102.7800	5.8400
159	Germany	6⅞	02/24/99	105.1200	6.5400
165	Treuhand	5⅝	09/24/98	102.5700	5.4800
168	Germany	8¼	07/21/97	97.8607	8.4300
186	Cap Credit Card	5¾	08/15/01	103.8563	5.4200
187	Germany FRN	2.9500	04/06/00	99.6800	2.9600
188	Germany	6½	01/02/99	104.2100	6.2400
193	Westf Hypoth	5½	09/13/99	103.4500	5.3200
200	Germany	7½	02/21/00	109.4375	7.0800
202	Germany	7¼	01/20/00	108.0500	6.7100
206	Russia	9	03/25/04	104.1000	8.6500
215	Germany FRN	2.8707	09/30/04	99.1400	2.9000
220	Treuhand	6⅛	06/25/98	102.6300	5.9700
233	Germany	6⅜	08/20/97	100.2525	6.3600
248	Treuhand	7	11/25/99	107.2300	6.5300
249	Credit Local	5½	10/18/00	103.7546	5.3000
Dutch Guilder					
26	Netherlands	6½	07/15/98	102.6200	6.0900
44	Netherlands	5¾	02/15/07	101.8300	5.6500
86	Netherlands	8¼	06/15/02	115.70	7.1300
88	Netherlands	9	01/15/01	115.1500	7.8200
89	Netherlands	6½	07/15/98	102.8000	6.3200
92	Netherlands	8½	03/15/01	114	7.4600
94	Netherlands	8¼	06/01/06	121.4000	7.0000
95	Netherlands	7½	01/15/23	115¼	6.5100
99	Netherlands	6	01/15/06	104.1000	5.7600
113	Netherlands	7½	04/15/10	115.6500	6.4900
114	Netherlands	7½	06/15/99	106.8000	7.0200
116	Netherlands	7	06/15/05	110.7800	6.3200
126	Netherlands	6¾	02/15/99	104.5500	6.4600
131	Netherlands	5½	09/15/02	104.7500	5.4900
132	Netherlands	6¾	11/15/05	109.1000	6.1900
145	Netherlands	7	03/15/99	105.1800	6.6600
148	Netherlands	5¾	01/15/04	103.9000	5.5300
192	Netherlands	8¾	09/15/01	116.20	7.5300
205	Netherlands	6¾	10/01/98	103.6000	6.5200
221	Netherlands	8¼	05/01/00	112.3000	7.7900
224	Netherlands	8¼	02/15/00	110.40	7.4700
ECU					
87	France OAT	6	04/25/04	103.6000	5.7900
109	France OAT	5½	04/25/07	97.3922	5.6500
118	France OAT	7	04/25/06	109.2000	6.4100
135	Britain	9⅛	02/21/01	116.1500	7.8600
144	France OAT	8½	03/15/02	114.1000	7.4500
149	France B.T.A.N.	6	03/16/01	104.5400	5.7400
174	France OAT	7½	04/25/05	111.8400	6.7100
184	Italy	6	04/02/04	102.5000	5.8500
189	France OAT	8½	04/25/22	124.5000	6.6300
197	France OAT	9½	04/25/00	112.8000	8.4200
218	France OAT	10	02/26/01	117½	8.5100
Finnish Markka					
226	Finland sr 1999	11	01/15/99	110.3963	9.9600
French Franc					
143	France OAT	5½	04/25/07	100.5400	5.4700
176	Fr Grd Emprunt	6	07/16/97	99.9800	6.0000
201	France OAT	7½	04/25/06	113.5300	6.3900
207	France BTAN	4½	04/12/99	101.7500	4.6700
240	France B.T.A.N.	5½	10/12/01	104.2600	5.2800
241	France B.T.A.N.	4½	03/12/02	101.0000	4.7000
246	France OAT	8½	11/25/02	117.9600	7.2100
Italian Lira					
108	Italy	[illegible]	03/01/02	101.2500	6.1700
152	Italy	[illegible]	02/01/07	102.4700	6.5900
222	Italy	9½	02/01/01	116.5800	8.5900
Japanese Yen					
136	Ontario Hydro	[illegible]	[illegible]	109.5536	4.9700
195	Italy Class B	5	12/15/04	117¾	4.2500
227	Exim Bk Japan	2⅞	07/28/05	104.1250	2.7600
244	Spain	3.1000	09/20/06	104.7500	2.9600
247	World Bank	5¼	03/20/02	116¼	4.5200
250	World Bank	4½	03/20/03	114	3.9500
Spanish Peseta					
138	Spain	7.9000	02/28/02	109.8650	7.1900
175	Spain	11.45	08/30/98	106.6000	10.7400
213	Spain	6¾	04/15/00	104.1700	6.4800
223	Spain	9.4000	04/30/99	107.1820	8.7700
225	Spain	7.3500	03/31/07	107.9740	6.8100
Swedish Krona					
140	Sweden	10¼	05/05/03	120.7640	8.4900
146	Sweden	11	01/21/99	108.7680	10.1100
157	Sweden	5½	04/12/02	99.2020	5.5400
158	Sweden 1036	10¼	05/05/00	112.8767	9.0800
196	Sweden	6	02/09/05	98.4860	6.0900
237	Sweden	6½	10/25/06	100.3700	6.4800
U.S. Dollar					
5	Brazil Cap S.L	4½	04/15/14	91.4509	4.9200
9	Argentina par L	5½	03/31/23	73.0694	7.5300
21	Brazil	10⅛	05/15/27	98.0965	10.3200
28	Mexico	11½	05/15/26	118.5849	9.7000
29	Brazil L FRN	6⅞	04/15/06	87.1647	7.8900
32	Argentina	11¾	01/30/17	115.2542	9.8700
35	Brazil par ZI	5¼	04/15/24	69.8849	7.5100
37	Argentina FRN	6¾	03/29/05	91.8065	7.3500
40	Venezuela FRN	6¾	12/18/07	92.8900	7.2700
46	Brazil FRN	6 13/16	01/01/01	98.8375	6.8900
47	Venezuela par A	6¾	03/31/20	82.3125	8.2000
59	Canada	6⅛	07/15/02	99.8373	6.1300
62	Brazil S.L FRN	6 9/16	04/15/12	83.1539	8.3400
64	Mexico par B	6¼	12/31/19	80.7500	7.7400
67	Mexico par A	6¼	12/31/19	80.7500	7.7400
69	Russian Fed	10	06/26/07	102.3173	9.7700
71	Brazil S.ZI FRN	6⅞	04/15/24	85.2708	8.0600
77	Mexico	9⅞	01/15/07	106.8018	9.2500
78	Ecuador par	3½	02/28/25	51.3750	6.8100
91	Argentina FRN	6⅞	03/31/23	88.1458	7.8000
96	Mexico	11¾	09/15/16	116.2875	9.7800
97	Ecuador FRN	3¼	02/28/15	69.9714	4.6400
98	Bulgaria FRN	6 9/16	07/28/11	75.2360	8.7200
104	Russia	9¼	11/27/01	101.6250	9.1000
106	EBRD	zero	07/31/97	99.8018	4.6300
110	Brazil S.L FRN	6 15/16	04/15/09	87.7475	7.9100
111	Mexico FRN	7⅞	08/06/01	100.1100	7.8700
120	Italy	6⅞	09/27/23	98.2041	7.0000
123	Argentina FRN	5.7109	04/01/01	128.7000	4.4300
129	Canada	6½	05/30/00	101.5000	6.4000
137	Venezuela par B	6¾	03/31/20	82.5000	8.1800
139	Poland Inter	4	10/27/14	87.5938	4.5700
142	Brazil S.L FRN	6 5/16	04/15/12	82.5004	8.4100
147	Brazil Cbond S.L	4½	04/15/14	92.2086	4.8800
151	Fin For Dan Ind	6¾	06/13/01	101.2500	6.6700
156	Mexico C FRN	6.8203	12/31/19	94.0758	7.2500
160	Mexico D FRN	6 13/16	12/28/19	94.0757	7.2400
162	Argentina	11	10/09/06	113.6728	9.6800
163	Ecuador FRN	6 7/16	02/28/25	74.7900	8.6100
164	Mexico B FRN	6.8359	12/31/19	91.9926	7.4300
166	Peru Pdi	4	03/07/17	65.3750	6.1200
167	Mexico A FRN	6.8672	12/31/19	94.0000	7.3100
169	Italy FRN	5.7188	05/12/02	99.8600	5.7300
170	Bayerische LB	6⅝	06/25/07	100.7003	6.5800
171	Bco Com Ext.	7¼	02/02/04	93.6250	7.7400
173	Peru Front	3¼	03/07/17	60.0625	5.4100
177	British Telecom	7	05/23/07	102.9689	6.8000
178	Canada	6¾	08/28/06	102.5609	6.5800
179	Abb Intl Fin	2¾	07/10/04	99.1233	2.7700
180	Panama FRN	6 11/16	07/17/16	87.7500	7.6200
182	Dow Chemical	6⅝	07/15/02	100.5000	6.5900
183	Bulgaria FRN	6 9/16	07/28/24	75.7825	8.6600
190	Pratoma Dat	12¾	07/15/05	98.4271	12.9500
194	Lloyds Bank	6	06/16/98	99.9633	6.0000
199	BNG	6⅞	07/08/02	100.4564	6.3500
204	IADB	6⅜	06/27/02	100.5726	6.3400
208	Centauri	zero	01/12/98	96.6391	7.1800
209	Argentina	8⅞	12/20/03	102.7397	8.1500
210	Philippines Fix	8¾	10/07/16	102.7614	8.5100
211	Bco Brasil FRN	6 15/16	10/14/99	85.4999	7.9700
212	Poland par	3	10/27/24	59.6875	5.0300
214	Nigeria	6¼	11/15/20	70.0313	8.9200
216	Bulgaria	2½	07/28/12	59.6250	3.7700
217	FNBChicago	7	05/08/00	101.7500	6.8800
228	Cregem Nth Am	zero	10/10/97	98.1083	8.4400
229	Comm Os Fin	5.7266	01/29/01	99.6000	5.7500
230	Mexico	9¾	02/06/01	106.1250	9.1900
231	Hitachi Credit	6⅝	07/10/02	100.5000	6.5900
232	Quebec	7	01/30/07	101.6250	6.8900
234	Abbey Natl TS	6¼	06/30/00	100.1250	6.2400
235	Ford Motor	5⅞	01/17/02	99.8700	5.8800
236	Eksportfinans	zero	12/08/97	97.1562	7.5300
238	Britain	6¾	07/19/01	95.9917	7.0300
239	Poland FRN	6 5/16	10/27/24	98.2500	7.0600
242	TMCC	7	06/11/07	103.2811	6.7800
245	Bayer L	6¾	06/10/02	101.6250	6.6400

New International Bond Issues

Compiled by Paul Floren

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Adelaide Bank	$200	2000	⅛	99.915	—	Over 3-month Libor. Noncallable. Fees 0.15%. Denominations $10,000. (Swiss Bank Corp.)
Ascot Capital	$100	1998	0.10	100.011	—	Under 3-month Libor. Noncallable. Fees 0.05%. (BZW.)
Cho Hung Bank	$100	1998	0.40	100	—	Over 6-month Libor. Noncallable. Fees 0.12%. Denominations $250,000. (BA Asia.)
China Merchants Bank	$100	2004	0.70	100	—	Over 6-month Libor. Callable at par in 2002. Fees 0.43%. (Swiss Bank Corp.)
Credit Industriel et Commercial	$400	1998	libor	100.02	—	Interest will be 3-month Libor. Noncallable. Fees 0.50%. (UBS.)
Hanil Bank	$100	2002	0.45	100	—	Over 3-month Libor. Reoffered at 99.87%. Callable at par in 1999. Fees 0.22%. Denominations $100,000. (HSBC.)
Golden Castle Euro Finance	$120	2004	0.24	100	—	Over 3-month Libor. Noncallable. Fees 0.40%. (Swiss Bank Corp.)
IMI Bank Intl	$500	2002	libor	99.956	—	Interest will be 3-month Libor. Noncallable. Fees [illegible]. (BZW.)
Fixed-Coupons						
Abbey National Treasury Intl.	$250	1999	6	101.108	99.85	Reoffered at 99.359. Noncallable. Fees [illegible]. (Goldman Sachs.)
Alfa-Russia Finance	$175	2000	10 [illegible]	99 [illegible]	99.80	Noncallable. Fees 0.75%. (Goldman Sachs Intl.)
Banco BBA Creditanstalt	$200	2005	8 [illegible]	99.80	99.63	Callable at 99.34 in 2000. Fees 0.45%. (Paribas.)
Belgium	$400	1999	6	100.995	100.05	Reoffered at 99.995. Noncallable. Fees [illegible]. (Deutsche Morgan Grenfell.)
BMW Capital	$200	2000	6 [illegible]	101.025	100.10	Reoffered at 99.875. Noncallable. Fees [illegible]. (Commerzbank.)
Camargo Correa Industrial	$150	2005	[illegible]	100	—	Semi-annually. Callable at 99.90 in 2002. Fees [illegible]. (Chase Manhattan.)
Kellogg	$500	2001	6 [illegible]	101.101	99.95	Reoffered at 99.751. Noncallable. Fees [illegible]. (Lehman Brothers.)
Rabobank	$250	2000	6	100.8155	99.90	Reoffered 99.629. Noncallable. Fees [illegible]. (Swiss Bank Corp.)
Norddeutsche Landesbank	$200	2000	6	100.6875	99.50	Reoffered at 99.50. Noncallable. Fees [illegible]. (Bear Stearns.)
Toyota	$1,000	2002	6 [illegible]	101.175	99.65	Reoffered at 99.55. Noncallable. Fees [illegible]. (CSFB.)
Unexim Intl. Finance	$200	2000	[illegible]	99.81	99.80	Noncallable. Fees [illegible]. (Merrill Lynch.)
Allianz Intl	DM1,500	2007	5½	102.45	99.95	Reoffered at 99.775. Noncallable. Fees 2[illegible]. (Dresdner Kleinwort Benson.)
General Motors Acceptance Corp.	DM250	2003	5 [illegible]	101.43	99.50	Reoffered at 99.63. Noncallable. Fees 2[illegible]. (BZW.)
Abby National Treasury Services	£250	1999	6	97.368	—	Noncallable. Fees 0.125%. (Salomon Brothers.)
Bank Nederlandse Gemeenten	£300	2007	7 [illegible]	101.524	—	Reoffered at 99.849. Noncallable. Fees 2%. (HSBC.)
Brazil	£150	2007	10	101.088	—	Reoffered at 99.838. Noncallable. Fees 2[illegible]. (BZW.)
Equitable Life Finance	£350	perpl	8	99.549	—	Callable in 2007. Fees 0.625%. (ABN AMRO Hoare Govett.)
Halifax	FF2,000	2009	5¾	101.311	99.92	Reoffered at 99.686. Noncallable. Fees 2%. (CDC Marchés.)
Credit Local de France	ITL300,000	2001	5 [illegible]	101.381	99.75	Noncallable. Fees [illegible]. (Paribas.)
Fiat	ITL300,000	2002	6.20	101.625	99.70	Reoffered at 99.90. Noncallable. Fees [illegible]. (Credito Italiano.)
Spain	ECU1,500	2008	6	99.74	99.75	Noncallable. Issue will be redenominated in Euros after EMU. Fees 0.325%. (Swiss Bank Corp.)
S.A. Electricity Supply	SAR8,000	2027	zero	2.575	2.52	Yield 12.97. Reoffered at 2.45. Noncallable. Fees 3.25%. (Deutsche Morgan Grenfell.)
World Bank	SAR1,000	1998	14 [illegible]	100.74	—	Noncallable. Fees [illegible]. (RBC.)

The Week Ahead: World Economic Calendar, July 21-25

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News

	Asia-Pacific	Europe	Americas
Expected This Week	**Kuala Lumpur:** Meeting of the foreign ministers of the Association of South East Asian Nations, followed by ASEAN regional security forum and conferences with major trading partners. *Thursday to July 29*	**Madrid:** Bank of Spain expected to release May current account and June budget deficit.	**Washington:** Federal Reserve Board Chairman Alan Greenspan delivers his semiannual testimony on the economy to Congress, Tuesday and Wednesday. **Earnings expected:** Asarco, Grand Casinos, Hilton Hotels.
Monday July 21	***Jakarta:*** *PT Lautan Luas starts trading on the stock exchange.* **Wellington:** Commerce Commission expected to decide whether to approve Powerco Ltd.'s takeover bid for Egmont Power Ltd.	***Paris:*** *Finance Minister Dominique Strauss-Kahn presents results of an audit of public finances.* **Earnings expected:** Gencor, Siemens, Norsk Hydro.	***Earnings expected:*** *America West Airlines,* ARCO Chemical, Ashland, BellSouth, Data General, Exxon, International Business Machines, Kimberly-Clark, Lydall, Nabisco Holdings, Tyco International, Union Carbide, Unisys.
Tuesday July 22	**Hong Kong:** Consumer price index *for June.* **Jakarta:** PT Lippo General Insurance and PT Panasia Filament Intl start trading on the stock exchange.	**Nuremberg:** Finance Minister Theo *Waigel speaks at conference of regional foreign-trade officials.* **Earnings expected:** Burgenland Elektrizitaetswirtschafts, Volvo, Polygram, Banco Comercial Portugues.	**Earnings expected:** Amoco, Bell Atlantic, *Bristol-Myers Squibb,* Lockheed Martin, Monsanto, Netscape Communications, Northern Telecom, Northwest Airlines, PepsiCo, Philip Morris, RJR Nabisco Holdings, Schering-Plough, Texaco.
Wednesday July 23	**Seoul:** Daow Technology, LG-Caltex, Pan Tech, Poong Sung Electric, Young Bo Chemical, Yoo Sung Metal and Yukong Gas begin trading on the stock exchange. **Tokyo:** Bank of Japan releases quarterly outlook for the economy	**Brussels:** European Commission expected to give its final ruling on Boeing's purchase of McDonnell Douglas **Earnings expected:** Reuters Holdings, Clariant, SmithKline Beecham, *Deutsche Bank.*	**Washington:** House Banking Committee hearing on U.S. monetary policy. Participants to include the Federal Reserve Board's vice chairman, Alice Rivlin and Fed governor Laurence Meyer.
Thursday July 24	**Hong Kong:** Angang New Steel begins trading on the stock exchange. ***Jakarta:*** *PT Lippo Cikarang begins* trading on the stock exchange.	**Amsterdam:** Updated first-quarter gross domestic product figures. **Earnings expected:** *Imperial* Chemical Industries, Bayerische Vereinsbank, SAP, Commerzbank, Philips Electronics, Ericsson, Novartis, Banco Bilbao Vizcaya, Anglogold.	**Seattle:** Microsoft's annual financial analysts meeting. **Earnings expected:** Colgate-Palmolive, CSX, Delta Air Lines, Digital Equipment, Dow Chemical, Gateway 2000, Phillips Petroleum, US Airways Group, Xerox.
Friday July 25	**Shanghai:** Central bank governors from China, Japan, Singapore Hong Kong, Malaysia, Thailand, Philippines, Australia, Indonesia and Korea meet to discuss turbulence in currency markets.	**Moscow:** Announcement of winner of auction of 25 percent of RAO Svyazinvest. **Lisbon:** Bank of Portugal sets benchmark rates for next period of operations	**Brasilia:** Brazil and Bolivia sign contract for gas pipeline. **Earnings expected:** Canadian Occidental Petroleum, Linamar, LTV, Piper Jaffray, Southwest Airlines, U S West Communications Group, W.R. Grace.

Last Week's Markets

Stock Indexes

	July 18	July 11	Ch'ge
United States			
DJ Indus	7,941.10	7,921.82	+0.24
DJ Util	230.66	231.85	−0.51
DJ Trans	2,836.07	2,819.31	+0.59
S & P 100	895.86	893.59	+0.25
S & P 500	915.30	916.67	−0.15
S & P Ind	1,081.44	1,079.14	+0.21
NYSE Cp	475.97	478.12	−0.45
Nasdaq Cp	1,547.97	1,502.62	+3.02
Japan			
Nikkei 225	20,249.32	19,875.49	+1.88
Britain			
FTSE 100	4,874.60	4,799.00	[illegible]
Canada			
TSE Index	6,344.70	[illegible]	[illegible]
France			
CAC 40	[illegible]	2,941.59	[illegible]
Germany			
DAX	[illegible]	[illegible]	[illegible]
Hong Kong			
Hang Seng	[illegible]	[illegible]	[illegible]
World			
MSCI P	[illegible]	[illegible]	[illegible]

World index from Morgan Stanley Capital Intl Perspective.

Money Rates

	July 18	July 11
United States		
Discount rate	5.00	5.00
Prime rate	[illegible]	[illegible]
Federal funds rate	[illegible]	[illegible]
Japan		
Discount	0.50	0.50
Call money	0.46	0.45
3-month interbank	0.63	0.63
Britain		
Bank base rate	[illegible]	[illegible]
Call money	[illegible]	[illegible]
3-month interbank	[illegible]	[illegible]
France		
Intervention rate	3.10	3.10
Call money	[illegible]	[illegible]
3-month interbank	[illegible]	[illegible]
Germany		
Lombard	4.50	4.50
Call money	3.08	3.08
3-month interbank	3.15	3.13

Gold	July 18	July 11	Ch'ge
London pm fix $	324.25	319.15	[illegible]

Euromarts

Eurobond Yields

	July 18	July 11	Yr high	Yr low
U.S. $, long term	6.56	6.61	7.09	6.53
U.S. $, mdm term	6.24	6.32	6.84	6.10
U.S. $, short term	6.04	6.09	6.51	5.96
Pounds sterling	7.44	7.47	7.75	7.09
French francs	4.84	4.88	5.05	4.66
Italian lire	6.22	6.27	7.79	6.23
Danish kroner	5.29	5.31	5.93	5.26
Swedish kronor	5.19	5.14	5.61	4.82
ECUs, long term	6.00	6.05	6.42	5.76
ECUs, mdm term	5.24	5.20	5.53	4.76
Can $	5.75	5.78	6.51	5.72
Aus $	6.27	6.46	7.86	6.27
N Z $	7.13	6.98	8.37	6.96
Yen	1.90	1.97	2.15	1.64

Source: Luxembourg stock exchange

Weekly Sales

July 18

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	363.1	231.8	2,183.2	1,051.7
Convert.	67.2	—	199.5	38.7
FRNs	756.6	1,965.7	464.5	69.0
ECP	12,721.8	9,827.3	12,628.5	13,963.8
Total	14,908.7	12,024.8	15,475.7	15,123.2

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	28,543.3	15,614.2	96,265.9	26,509.3
Convert.	1,632.4	710.6	4,864.6	1,772.1
FRNs	22,928.5	7,880.7	44,586.5	5,677.1
ECP	18,565.9	21,096.1	31,158.7	26,312.8
Total	72,670.1	45,301.6	176,875.4	60,271.3

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	[illegible]	[illegible]	[illegible]
Deutsche mark	[illegible]	[illegible]	[illegible]
Pound sterling	[illegible]	[illegible]	[illegible]
French franc	[illegible]	3⅛	[illegible]
ECU	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]

Sources: Lloyds Bank, Reuters.

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Where's the Volatility? Back in Currency Market

Asian Turbulence Ends the Focus on Bonds

By Carl Gewirtz
International Herald Tribune

PARIS — A glance at the dollar's performance chart against the Deutsche mark last week — a nearly flat line around 1.79 DM — would appear to contradict the view of market experts, but they insist that volatility in exchange rates is back and that the currency market is likely to remain the favored outlet for speculative money looking for a quick profit.

For all of last year and the early part of this year, global bond markets displaced the currency market as the place to make a fast killing. But with yields now near record lows in Europe and Japan and at a six-month low in the United States, bond prices look vulnerable to those who expect an upturn in world economic activity to inevitably lead to an upturn in inflation and a less accommodative monetary policy from central banks.

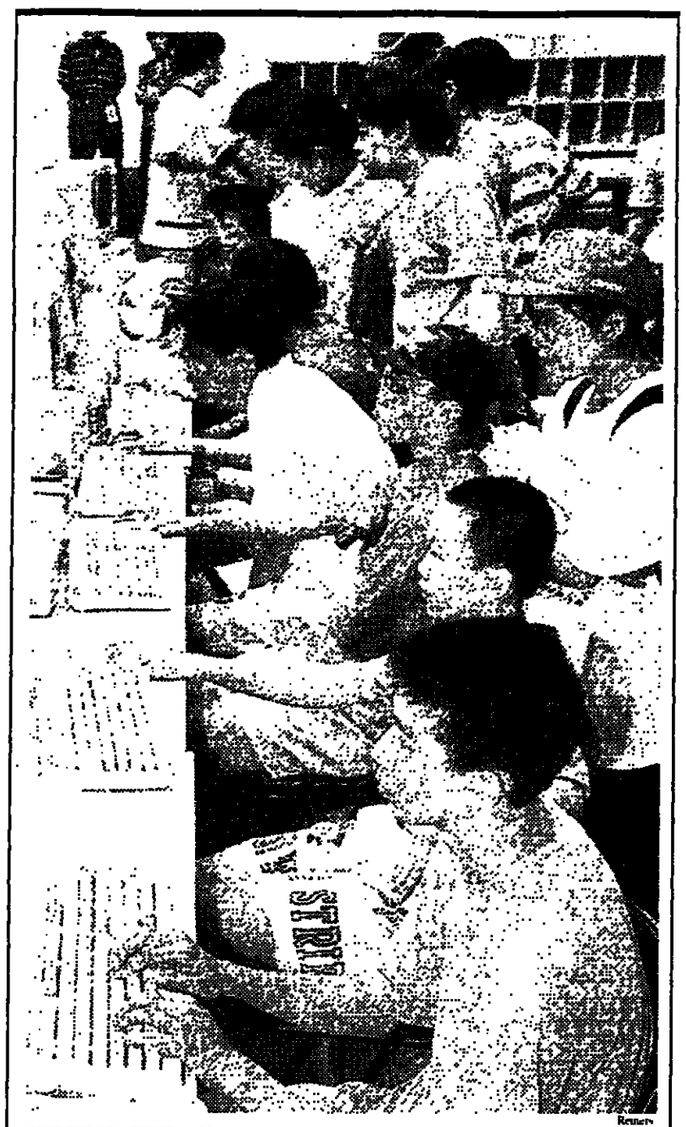
"Foreign exchange as an asset class was less attractive when all the major central banks were doing the same thing — trying to stimulate growth," Jan Loeys at J.P. Morgan said. For John Lipsky at Chase Manhattan, "the renewed volatility in the foreign-exchange market reflects both increased uncertainty about the economic outlook as well as the approaching end game in Europe in the run-up to monetary union."

Neil MacKinnon at Citibank sees increased volatility as "an appropriate response." He said, "Exchange rates adjust for changing economic circumstances and perceptions about interest-rate policies — sometimes this volatility gets played out in bond markets, and this year it's in currency markets."

Volatility remained high last week in emerging markets that have been unsettled by the devaluations of the Thai baht and the Philippine peso. The contagion from East Asia was evident in Poland, Brazil and Peru as well as Greece and New Zealand as hot money, formerly attracted by high local interest rates, fled countries running high current-account deficits where currency values looked suspect.

This turmoil, according to Avinash Persaud at J.P. Morgan, has probably contributed to the strengthening of the dollar and to a lesser extent the yen, as they have been the major "funding" currencies that investors use to finance asset purchases in the emerging markets. The rush back into the dollar gave the currency a boost worldwide, and the fact that some repatriation occurred into the yen explains why the dollar this month has moved more sharply against the mark than it has against the yen.

There could be a second wave, Mr. Persaud warned, if banks in Thailand, the Philippines and Malaysia feel compelled to cover their collective $60 billion increase in foreign currency borrowed over the past three years.



Reuters

SURFING THE NET IN CHINA — Enthusiasts using terminals connected to the Internet at a computer show in Beijing on Sunday. A joint venture of China United Telecommunications Corp. and Sparkice Co. aims to set up 100 Internet cafés around the country in the next year.

Paris Softens Its Stand Against Privatizations

Worsening Deficit Is Expected in Audit

Reuters

PARIS — The new Socialist government, which initially opposed privatization, is having second thoughts as pressure mounts to plug holes in the budget in the approach to European monetary union.

Retreating from its tough anti-privatization talk, the government has decided to go ahead with plans by its conservative predecessors to sell the unprofitable insurer GAN and its banking unit, CIC.

But, in line with its decision to reverse the sale of the defense electronics giant Thomson-CSF, the government said the company's unprofitable consumer-electronics unit Thomson Multimedia would remain "a public company."

The government's privatization plans are falling into place as it prepares for the release Monday of an audit of public finances that is expected to show a worsening of France's government deficit in 1997, the crucial year for monetary union.

"Reality is catching up with their electoral program," Iain Lindsay, a bond analyst at Credit Lyonnais, said. "It doesn't surprise me they are going to have to relax their very rigid stand that all privatizations would have to be terminated."

Prime Minister Lionel Jospin has prepared public opinion and financial markets carefully for the audit, leaving him well placed to blame his predecessor, Alain Juppe, for a 1997 deficit expected to be running at 3.5 percent to 3.7 percent of gross domestic product.

That would be well above the 3 percent guideline for joining the common European currency contained in the Maastricht Treaty, leaving the government with little choice but to press ahead with asset sales, analysts said.

While the government cannot use privatization proceeds to cut the deficit, new cash can help it finance companies that need it. In the case of GAN, analysts said the government had been forced to sell it to win European Commission approval for pumping 20 billion francs ($3.3 billion) into the insurer, which has hit by a property-market slump.

Thomson Multimedia is in line for an 11 billion-franc state handout. Keeping Thomson Multimedia, whose planned sale to South Korea's Daewoo Electronics Co. last year was scrapped amid a public outcry, is a nod to the government's Communist coalition partners.

But the government indicated Friday it was willing to part with a minority stake in France Telecom, which is seen as the jewel in the state crown. The previous rightist government had planned to sell 35 percent of the company, which is valued at 160 billion to 210 billion francs.

Analysts also were impressed with the government's decision to press ahead on selling CIC, whose planned sale last year was scrapped after strong local protests.

"I find the GAN decision and especially the CIC decision quite encouraging — the fact that a Socialist government is willing to take on all those local interests," Paul Horne, an economist with Smith Barney in Paris, said.

Some even saw a bright spot in the government's decisions involving Thomson-CSF, the defense-electronics portion of Thomson SA. Although the government halted the unit's sale, it said it was interested only in keeping a "decisive stake." This raised market hopes that it may retain only a "golden share," which would still give it heavy influence over major corporate decisions, but let its 58 percent stake fall below 50 percent.

There are a variety of suitors for GAN, including its French rival AGF, which is said to be considering a share swap, and Germany's Allianz AG.

But without the European Commission's approval of government aid, GAN has said, it could post a loss for 1996 of 14.7 billion francs instead of the expected 5.6 billion francs.

Asian Financial Markets Brace For More Currency Turmoil

Compiled by Our Staff From Dispatches

HONG KONG — Asian financial markets were bracing Sunday for another rough week of trading, after struggling last week with de facto currency devaluations that roiled markets.

Persistent turmoil in Asia's currency markets is expected to depress already weak sentiment in stock markets throughout the region, with the central banks' policies still unclear.

In three weeks, Thailand, the Philippines, Malaysia and Indonesia have all abandoned the monetary stability so fundamental to the region.

In the absence of central bank intervention to keep speculators at bay, the Indonesian rupiah plunged to an all-time low against the U.S. dollar, the Malaysian ringgit sank to a 38-month low and the usually-strong Singapore dollar retreated to a 31-month low at the end of Asian trading on Friday.

Hong Kong and Bombay are seen as the safest havens for the coming week, with the Philippines in the front line for more trouble.

The Thai baht has fallen more than 20 percent since its July 2 float, and it is not just the general downward trend but the volatility that bothers traders.

"Now the baht can jump 40-50 satang at one go, not like in the past when it moved just 4 or 5 satang," Sutee Losonponkul, treasury manager of Nakorthon Bank in Bangkok wrote in Sunday's South China Morning Post. There are 100 satang to one baht.

Dealers have voiced surprise that central banks, particularly Malaysia's Bank Negara, which had stoutly defended the ringgit previously, allowed their currencies to sink so rapidly last week. But the authorities may be about to jump in.

"Although the central banks had kept a relatively low profile in recent days, we would not rule out stronger interventionist measures from the different central banks," said Andy Tan, general manager of MMS International in Singapore.

Market players expect a plan for concerted central bank action to emerge from a meeting of Asia-Pacific central bank governors in Shanghai on July 25.

"Although it is a scheduled meeting, what will be of interest will be the central bank perspective of the present currency turmoil. Investors will be kept on their toes as to the meeting's outcome," Jimmy Koh, regional economist with British finance house IDEA said.

Speculators have kept the markets on tenterhooks by stacking up long dollar positions against key currencies and not giving an idea on when they will square off these positions. *(AFP, Reuters)*

Bell Atlantic and Nynex Conquer Merger Obstacle

By Mike Mills
Washington Post Service

WASHINGTON — Bell Atlantic Corp. and Nynex Corp. have struck a deal with federal regulators on ways to open their local phone markets more quickly to competition, allowing the companies to complete their long-awaited $23.7 billion merger.

In a 10-page letter to the Federal Communications Commission, Bell Atlantic said it would agree to several conditions that the company had been discussing with commission officials in recent weeks. All are designed to make it easier for competitors to gain a foothold along the U.S. East Coast, where Bell Atlantic and Nynex control local telephone services.

With Bell Atlantic's agreement to the conditions, Reed Hundt, chairman of the communications commission, said: "I think we can and should approve the merger. These conditions apply to the whole region, and they make up for the loss of Bell Atlantic as a potential competitor to Nynex."

The commission is expected to vote on the merger within weeks, and its approval is considered likely. The transaction would create the second-largest U.S. communications company, after AT&T Corp., with $28 billion in annual revenue and 130,000 employees.

Although the agreement offers some hope for large-scale local competition along the East Coast, it comes just after a federal court in St. Louis struck down the commission's pricing rules for local telephone competition in a ruling that many analysts said probably would slow the opening of the $100 billion market.

Commission staff members said Bell Atlantic would risk fines or other penalties if it failed to honor the conditions after the merger was approved. But some analysts were skeptical about whether the deal could be adequately enforced.

"If they deliver on what they're promising, it would be welcome news," Jeffrey Kagan, president of Kagan Telecom Associates in Atlanta, said. "All they're saying is they're going to negotiate better with competitors. It's not like they have a great track record of negotiating."

The agreement puts an apparent end to a roller-coaster regulatory approval process for Bell Atlantic and Nynex.

Critics of the deal were upset in April when the Justice Department approved the merger with no conditions attached — they thought the marriage of two powerful Bell companies should have drawn more scrutiny from the nation's top antitrust enforcer. It was the latest in a string of proposed industry mergers, all of which followed a major restructuring of telecommunications laws early last year. Early this summer, when AT&T and SBC Communications Inc. began merger talks — which have since collapsed — there were further cries that regulators should do something to stop the "merger mania" sweeping the telecommunications industry.

That's when Mr. Hundt stepped in and said he would scrutinize the Bell Atlantic-Nynex deal.

The new telecommunications law allows companies to offer service by connecting to or even leasing local phone networks. But critics such as AT&T and MCI Communications Corp. have been complaining that Bell Atlantic, Nynex and other local carriers have imposed obstacles to competition.

Boeing Hides Its Hand as an EU Deadline Nears

By Tom Buerkle
International Herald Tribune

BRUSSELS — Like a poker player waiting until the last minute to show his cards, Boeing Co. remained silent Sunday about any new concessions in its planned merger with McDonnell Douglas Corp.

There were just three days to go before the European Union antitrust authorities would convene to give their judgment on the controversial U.S. merger.

Officials at the European Commission, the executive agency that handles antitrust issues for the 15-nation European Union, reiterated their determination to block the American merger at their meeting on Wednesday if Boeing did not by then make significant new proposals to ease their concerns.

"Unless they come up with something really big, I don't see how they can hope to get it through," an official said of Boeing.

The aircraft company's executives and commission officials said the two sides had no substantive discussions over the weekend and that they were unlikely to have any Monday, when offices here are closed for Belgium's national holiday.

Commission officials said that Boeing must make an offer some time in advance of the Wednesday morning meeting to give the agency time to brief national antitrust officials.

Richard Albrecht, head of Boeing's Commercial Airplane Group, met with the EU competition commissioner, Karel van Miert, late Friday but made no new offer to meet Mr. van Miert's concerns that the combination would strengthen Boeing's dominance at the expense of Airbus Industrie, the European aircraft consortium.

The main obstacle continues to be Boeing's exclusive, 20-year contracts with American Airlines, Continental Airlines and Delta Air Lines.

Boeing has offered to reduce the length of those contracts to 13 years, but EU regulators have rejected that as insufficient.

They contend that any exclusive contract would act to shut Airbus out of the U.S. commercial aircraft market.

In the absence of direct talks, sources reported diplomatic contacts between Washington and European capitals in an attempt to find a compromise and avoid a trade war.

Last week, senior officials at the U.S. State Department suggested joint U.S.-EU monitoring of the exclusive contracts to prevent any anti-competitive behavior, but Mr. van Miert turned down the idea.

Also, President Bill Clinton criticized Europe's opposition to the merger and indicated that the United States could resort to trade retaliation if the deal was blocked.

CURRENCY RATES

Cross Rates — July 18

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.016	3.3775	1.1259	0.3332	0.1156*	—	5.4525*	1.3475	1.746*	1.466	1.336*
Brussels	36.99	62.00	20.6675	6.114	2.1247*	18.34	—	25.0125	0.3177	26.80	24.58*
Frankfurt	1.791	3.0051	—	0.296	0.1027*	0.8883	4.8433*	1.2123	1.5538*	1.3069	1.187*
Lisbon(e)	1.5744	—	2.5983	10.131	2.891.58	3.3753	61.9193	2.4679	193.4184	2.2034	252.4661
Madrid	151.555	253.536	84.244	24.937	8.652*	74.831	4.0391	102.126	130.91*	110.044	—
Milan	1,744.60	2,922.00	972.05	287.92	—	865.58	47.17	1,178.50	15.095	1,267.00	11.549
New York (b)	—	1.6810*	1.7915	4.053	1,746.00	2.0177	39.02	1.4755	115.45	1.3248	151.445
Paris	6.8775	10.167	3.3763	—	0.3467*	3.0008	0.1636	4.0954	5.2497*	4.413	4.912*
Tokyo	116.25	194.58	64.92	19.22	0.668	57.66	3.1444	78.65	—	84.40	0.7712
Toronto	1.3748	2.3103	0.7669	0.2268	0.0787*	0.6812	0.3714*	0.9314	1.1897*	—	0.91*
Zurich	1.4725	2.4686	0.8208	0.2436	0.0845*	0.7311	3.9878*	—	1.2765*	1.0715	0.9777*
1 ECU	1.10848	0.6578	1.0798	6.6882	1,727.62	2.2288	40.8775	1.4331	127.403	1.5156	166.712
1 SDR	1.3772	0.8238	2.4458	8.3248	2,396.51	2.774	50.9578	2.0338	159.513	1.8899	207.457

Closings in Amsterdam, London, Milan, Paris and Zurich. Rates in other centers: New York and Toronto rates at 4 P.M.
*a: To buy one pound; b: To buy one dollar. *Units of 100; N.Q.: not quoted; N.A.: not available*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek droc.	281.37	Mex. peso	7.86	S. Afr. rand	4.554
Australian $	1.3522	Hong Kong $	7.7495	N. Zealand $	1.527	S. Kor. won	1803.45
Austrian sch.	12.645	Hung. forint	192.71	Norw. kroon	7.422	Swed. krona	7.7891
Brazil real	1.0811	Indian rupee	35.73	Phil. peso	29.25	Taiwan $	27.94
Chinese yuan	8.3219	Indo. rupiah	2475.00	Polish zloty	3.47	Thai baht	29.80
Czech koruna	34.38	Irish $	0.67	Port. escudo	181.16	Turkish lira	153500.
Danish krone	6.846	Israeli shek.	3.5377	Russ ruble	5785.50	UAE dirham	3.6715
Egypt. pound	3.393	Kuw dinar	0.30	Saudi riyal	3.75	Venez. bolív.	493.25
Fin. markka	5.2953	Malay. ring.	2.5895	Sing. $	1.4595		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6709	1.6680	1.6661	Japanese yen	115.27	114.73	114.19
Canadian dollar	1.3737	1.3712	1.3687	Swiss franc	1.4779	1.4728	1.4678
Deutsche mark	1.7943	1.7904	1.7864				

Source: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

CYBERSCAPE

IBM Says It Can Make Internet Payments Safe

By Paul Floren
Special to the Herald Tribune

MONACO — International Business Machines Corp. says it has developed a secure system for payments by credit card on the Internet, and major banks and credit-card companies including Visa, MasterCard, American Express, JCB, Discover and Diners Club are backing the standard.

Under the plan, purchases made under the Secure Electronic Transaction standard, or SET, will be guaranteed by major credit-card issuers just as if the purchase had been made in a store or over the phone.

SET uses an Internet browser like those made by Netscape Corp. or Microsoft Corp. The consumer places an order with a merchant; the order is encrypted so that the merchant sees only the products ordered and the amount of the purchase, while the bank sees only the payment information — not the items ordered. To use SET, companies will need to establish merchant servers, for which IBM makes the software and hardware. The merchant server acts as an intermediary among the buyer, the merchant and the credit-card company. Everyone that uses SET must be registered, allowing the retailer to feel

See INTERNET, Page 14

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Corporate Hot Seats Get Hotter

CEOs' Terms Shorten as Boards Grow More Impatient for Results

By Steve Lohr
New York Times Service

NEW YORK — After barely more than eight months as president of AT&T Corp., John Walter is gone. He became the second revolving-door corporate casualty in eight days, resigning a week after Gilbert Amelio was ousted by Apple Computer Inc. on July 9 after 17 months as chairman.

The exits of the two high-profile executives point to the new reality of life at the top of American corporations: The pay and benefits may be lavish, but the leash is short and getting shorter.

Institutional shareholders have become increasingly impatient over the years with poorly performing companies and are not reluctant to express their opinions to corporate boards.

But it was not until the early 1990s that the ouster, in rapid succession, of the chief executives of General Motors Corp., Sears Roebuck & Co., International Business Machines Corp. and Eastman Kodak Co. served notice that the old rules no longer applied.

The old ways, in fact, had changed so much that Robert Stempel lasted only 27 months as chief executive of General Motors before he was forced out in November 1992. Last August, Robert Frankenberg left the software maker Novell Inc. after 30 months at the helm.

But even that kind of pace seems almost leisurely by current standards. Corporate boards are under greater pressure than ever to acknowledge management problems and act quickly.

The long upward climb of the stock market is partly responsible. Laggard companies look even worse today, with stock prices of most companies surging.

But when a short-tenured executive takes the fall, it is also evidence of a boardroom blunder. The AT&T and Apple boards, for example, dismissed Mr. Walter and Mr. Amelio for not being up to their jobs. But those were the same boards that had chosen them for those jobs not long before, hailing them as management superstars.

In an era of rapidly changing technology, open capital markets and the globalization of business, American companies, workers and managers have been forced to respond. But boards, analysts say, often seem to be on the trailing edge of change.

"Boards are still too much exclusive clubs, typically with a few token outsiders," said James Moore, president of Geopartners Research, a consulting firm. "The modern board needs to be a working committee that helps reposition and reinvent the company from time to time to capitalize on new generations of technology and to pursue new markets."

The best example of a company that picked the right executive to stop a tailspin, Mr. Moore says, is probably IBM, where Louis Gerstner Jr. was selected as chairman and chief executive in April 1993, replacing John Akers, who had left the company the previous January.

In Mr. Gerstner, a former top executive at RJR Nabisco Holdings Corp. and American Express Co., the board chose someone who had not grown up inside IBM but instead came from the world of IBM's big corporate customers that are ultimately its greatest asset. He was also widely respected in the broader corporate community.

Once aboard, Mr. Gerstner scrapped plans to break IBM into several smaller companies. He made deep payroll cuts and pushed an existing project to modernize the technology in the company's mainframe computers, the mainstay of IBM's business, and he recast IBM as a service company to large corporations.

"The IBM board seemed to have some intuitive sense of what it would take to recast the company," Mr. Moore said.

In January 1993, when Mr. Akers left the company, IBM's shares were trading at around $25, adjusted for stock splits. On Friday, IBM's shares closed at $104.3125, up $4.6875.

Signs of Dizziness Over High-Fliers

By Floyd Norris
New York Times Service

NEW YORK — During the second quarter of this year, Microsoft's stock leaped from just over $90 a share to $126, and by last week the price had moved past $150 a share. Investors could not get enough of it.

But Greg Maffei did not buy.

"We thought the price was a little high," he said.

Mr. Maffei is the treasurer and soon to be chief financial officer of Microsoft, a company that heretofore has bought back some of its stock almost every quarter to try to avoid dilution from the company's huge stock-option program.

But if $120 — about the price at which Microsoft could have bought in the quarter, given its policy of avoiding trades until after investors have digested the previous quarter's earnings — seemed rich to Microsoft executives, it did not seem that way to Wall Street analysts, virtually all of whom still recommend the stock.

INVESTING

Why the different views? Mr. Maffei said analysts don't like to annoy companies by removing "buy" recommendations, and with all the money pouring into stocks, they don't want their firms to miss out on a fair share of the business.

"But if you talk to them privately," he said, "they will acknowledge it's hard to understand these valuations."

The attitude on Microsoft, which even after slipping a bit Friday was still at $140.50, up 53 percent since the end of the first quarter, is hardly unique.

Intel Corp.'s stock hit a record high when it posted a profit last week, although it was well below what Wall Street had been forecasting before Intel toned down its expectations in May.

That did not bother most analysts, who still love Intel. But it did concern Drew Peck of Cowan & Co.

"We are trimming our numbers again for 1997 and 1998 in recognition of slower growth and dramatically increased pricing pressure," Mr. Peck wrote. "We are maintaining a neutral rating on Intel because consensus estimates remain materially higher than company guidance and common sense would dictate."

INTERNET: *Safe Payments*

Continued from Page 13

confident that customers are who they say they are.

SET was launched in Denmark early this year, and its use has spread across Europe.

"SET has picked up a lot of steam in the last six months," said Cliff Condon, analyst with Forrester Research, which tracks information technology.

Microsoft and Hewlett Packard Corp., which recently acquired VeriFone Inc., a leader in the technology allowing payments on the Internet, also have said they are working to develop merchant servers for SET transactions.

"We are totally convinced that electronic commerce is going to evolve quickly," said Jose Manuel Gabeiras, chief executive officer of Visa Spain, which is working on a pilot program with IBM.

While IBM declined to release sales figures for its SET project, Sanajaya Addanki, general manager of network computing solutions at IBM Europe, said the company's order backlog for electronic-business services was "about $10 billion."

He said most SET transactions so far had been confined to business-to-business sales but that business-to-consumer transactions were on the rise.

Among the companies using SET to sell on line is ABB Control AB of Sweden, which makes transformers.

"We have chosen the Internet as a new sales tool," Thomas Baltzer, ABB Control's project manager, said.

Ceru Bank of Belgium and Inter-Europa Bank in Hungary are using the SET standard to offer on-line banking, and the Wimbledon tennis tournament used it to sell tickets to this year's matches. Designhouse-europe in Germany is selling home furnishings on line using the standard.

IBM estimates that $1.2 trillion will be spent in the information-technology sector by 2000, with about $250 billion of that spent on electronic business.

"That is the market we are going after," Mr. Addanki said. "How much of that are we going to get? As much as we can."

But for all the enthusiasm surrounding SET, there are some fundamental problems. Banks, for example, have not figured out how much to charge per transaction, Mr. Condon said. There also is no logotype or symbol identifying Internet sites as SET-secure, and SET is not the only electronic payment method under development.

DigiCash NV, a Dutch company operating in the Silicon Valley in California, also is developing an electronic payments system, but one based on cash rather than credit. Consumers can purchase "electronic cash" from a bank, downloading it to a computer hard drive much like withdrawing cash from a cash machine. The consumer can then make purchases on line until the "electronic wallet" is depleted. *Internet address: Cyberscape@ihl.com*

SHORT COVER

Posco Grants Kia Reprieve on Steel

SEOUL (Bloomberg) — Pohang Iron & Steel Co., the world's largest steel maker, said Saturday it would resume its steel supply to Kia Motors Corp. and Asia Motors Corp. after a one-day suspension.

The move came after Kia Group, already reeling under $10 billion of debt, said Friday it may shut down its car production lines because of Posco's decision to cut off supplies. The state-run steelmaker supplies Kia and Asia Motors with 85 percent of their steel, or 30,000 tons a month.

Philips Will Shed Its Media Stakes

AMSTERDAM (Reuters) — Philips Electronics NV said Saturday it would wind down its media activities but would leave its PolyGram NV stake untouched.

Cor Boonstra, chairman of Philips, told the Dutch daily NRC Handelsblad that he thought the Dutch electronics giant was ill-equipped for the fast-moving media sector.

The exception is its 75 percent of the music and entertainment concern PolyGram, which Mr. Boonstra is eager to expand.

Bonn Tells D'Amato to Back Off

BONN (Reuters) — The Economics Ministry said Saturday that it would support a German bank in a dispute with a U.S. senator, Alfonse D'Amato, a Republican from New York, over refusing to withdraw a loan it had granted to Iran's Offshore Engineering & Construction Co.

A ministry spokeswoman said the loan was an independent decision made by the Duesseldorf-based bank and that foreign influence would not be politically and legally acceptable.

A WestLB spokesman said last week that the bank was not breaching any U.S. laws because trade finance deals were not covered by the 1996 Iran Libya Sanctions Act.

Judge Disappoints Honda Dealers

BALTIMORE (Bloomberg) — Honda Motor Co. dealers may be denied class-action status in lawsuits charging the automaker with shipping fewer cars to dealers who had refused to pay kickbacks to executives.

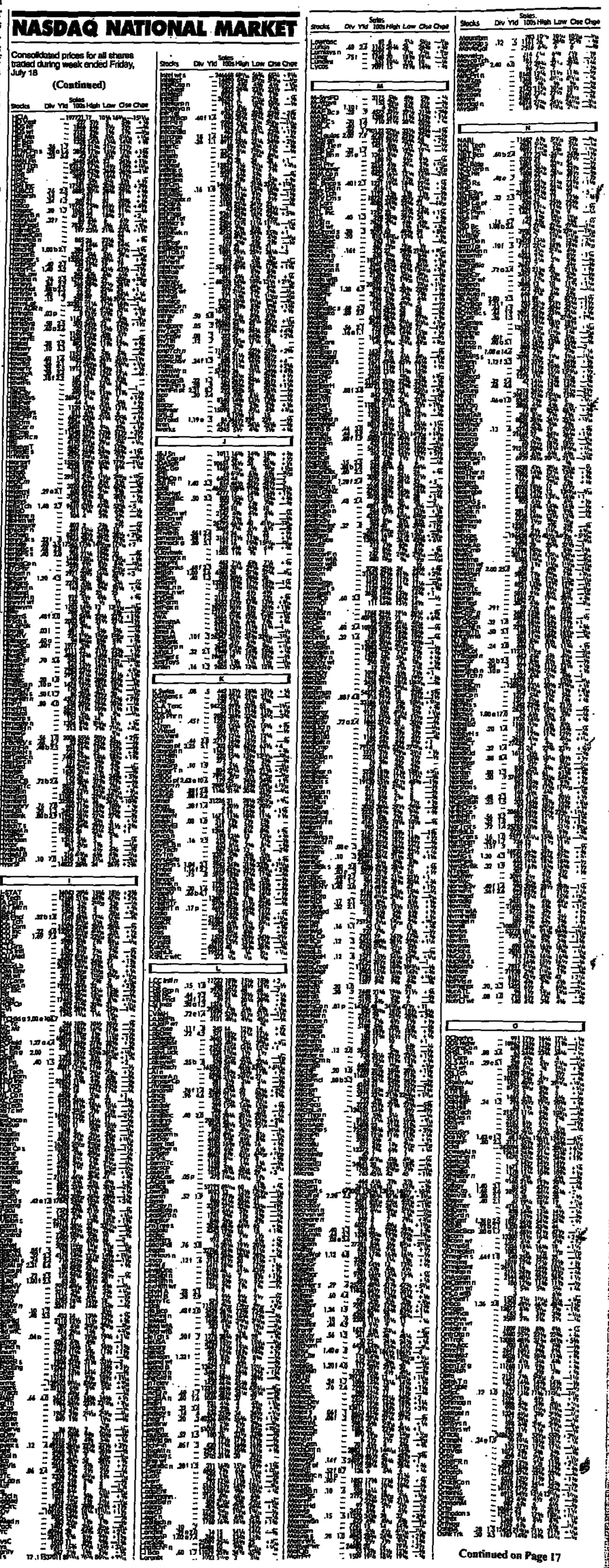
U.S. District Judge Frederick Motz said that he was leaning against granting the dealers class-action status, which would resolve most of the claims against Honda in one trial.

- **Beijing** has passed new rules, to be in force in January 1998, to try to thwart copyright theft of audiovisual products and curb violent, pornographic or subversive content, the Xinhua news agency said.
- **Oracle Corp.** Chairman Larry Ellison said his friend Steve Jobs would make the best chief executive for Apple Computer Inc. Mr. Jobs has assumed an expanded role since rejoining Apple as an adviser in February. He is widely seen as having helped engineer the ouster of Gilbert Amelio as CEO of Apple two weeks ago, amid the personal-computer maker's continuing losses. Mr. Ellison, who shelved plans for buying Apple earlier this year, was cagey when asked whether he would make another bid. "Steve's my best friend; I'll do whatever I can to help him," he said.
- **Auto workers at a General Motors** assembly plant in Detroit ended an 85-day strike late Friday, one of the longest strikes in years against the automobile giant. An overwhelming 93.5 percent of the 6,100 striking workers at the Pontiac East plant in suburban Detroit voted to approve a contract previously negotiated with the company management, union officials said.
- **Dai-Ichi Kangyo Bank Ltd.** of Japan will confess to the Finance Ministry that officials concealed from regulators problem loans to a reputed corporate racketeer, a major newspaper reported Sunday. *(Bloomberg, Reuters, AFP)*

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, July 18

(Continued)





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Continued on Page 17

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gh-Fliers

even after slipping a bit Frida
still at $140.50, up 5.5 percent
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Intel Corp.'s stock hit a roadbl
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a neutral rating on Intel because
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Continued on Page

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* There are silicones & silanes in this outdoor paint

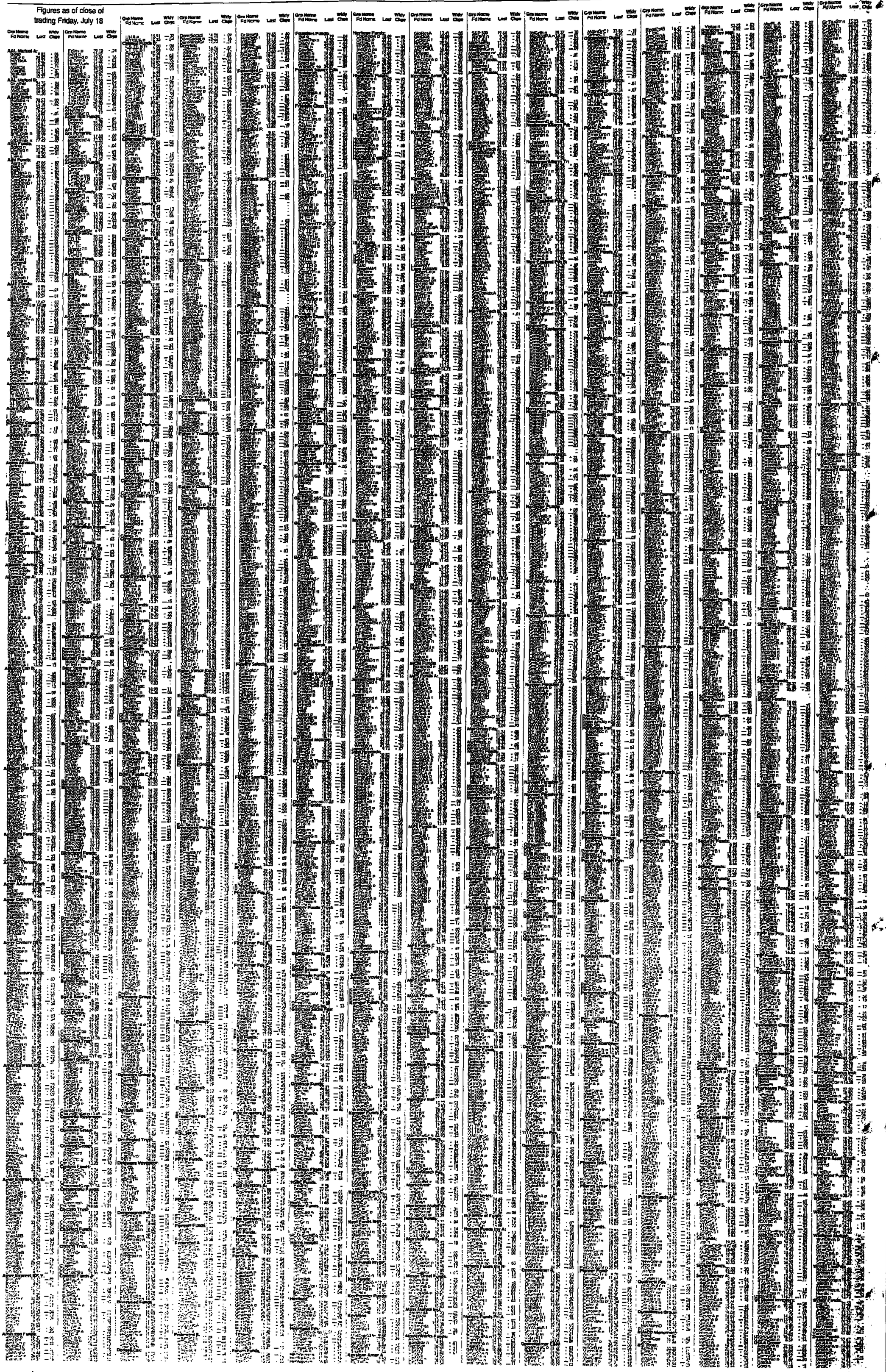
A new facade may look great, but it doesn't change what's inside. Half-hearted solutions aren't the answer when it comes to responding rapidly and flexibly to global market needs. Which is why Hüls AG is letting us operate on the market as an independent limited liability company from October 1, 1997. Clustering all activities in the field of silicones & silanes into a single independent company with clear market focus is only one of the many measures to feature in the Global Fitness Program of Hüls AG which in future will take on the role of strategic holding company. This opens up whole new market opportunities, paving the way for us to reach our ambitious goal of becoming one of the leading suppliers worldwide. Watch this space for the name under which we'll be starting out. **Silicones & Silanes Division of Hüls AG, Marl, Germany.**

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Figures as of close of trading Friday, July 18



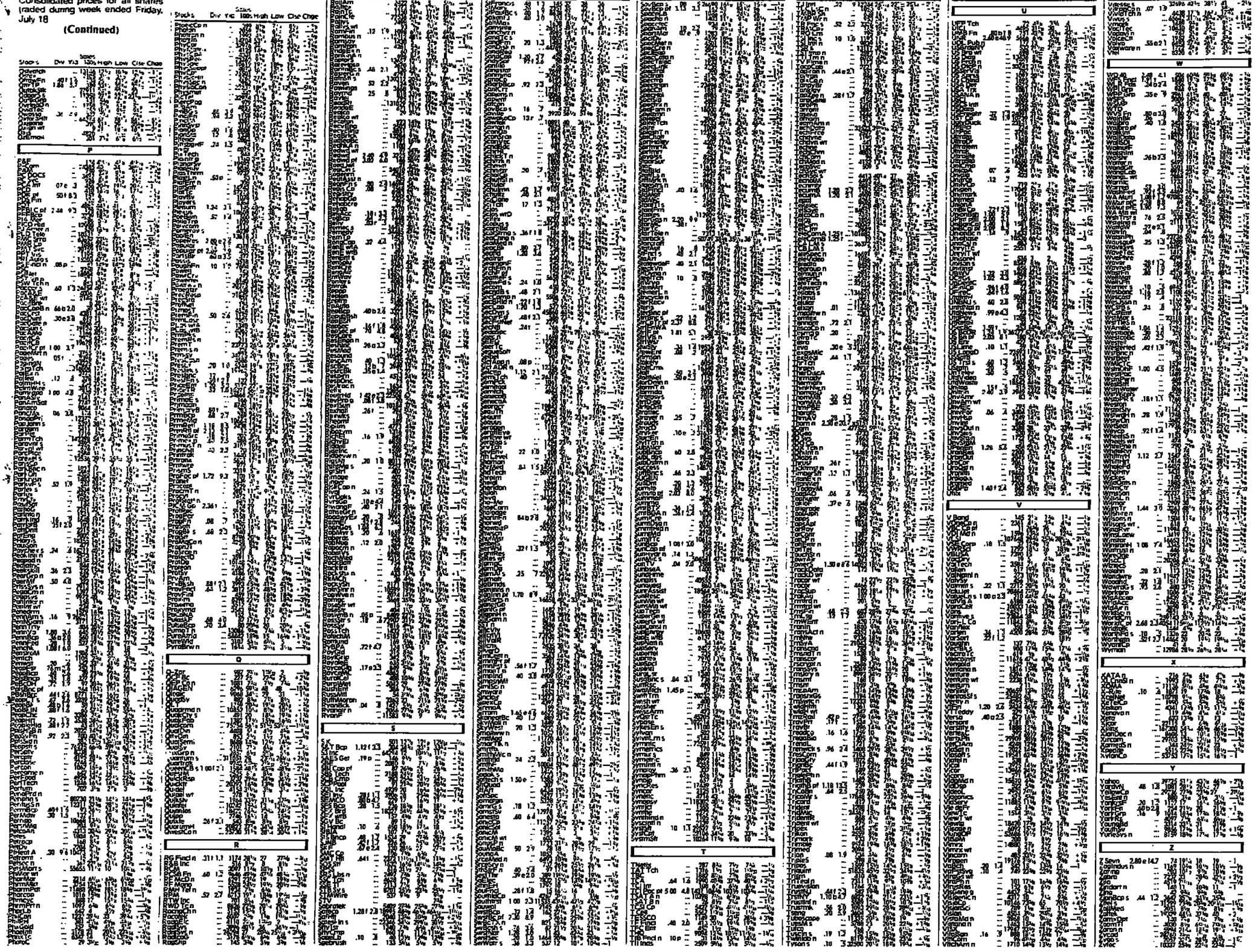
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, July 18

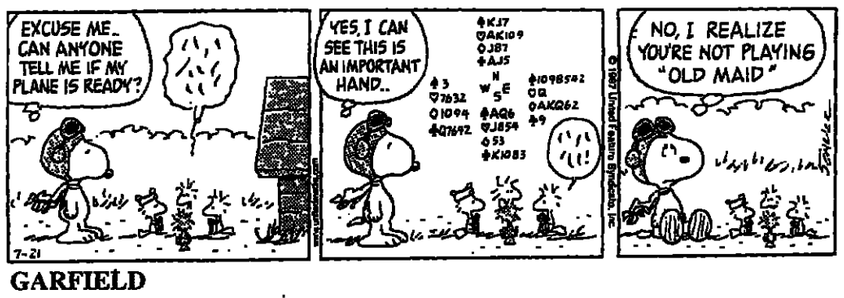
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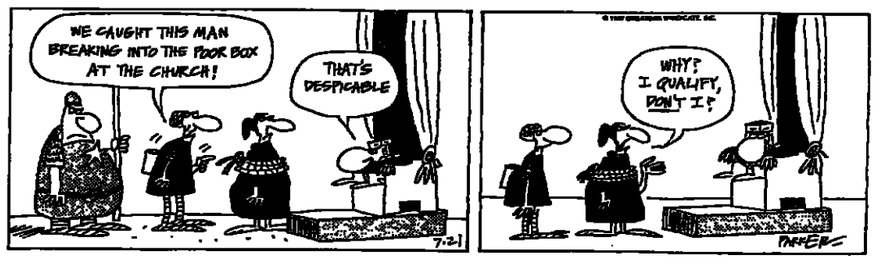
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GARFIELD



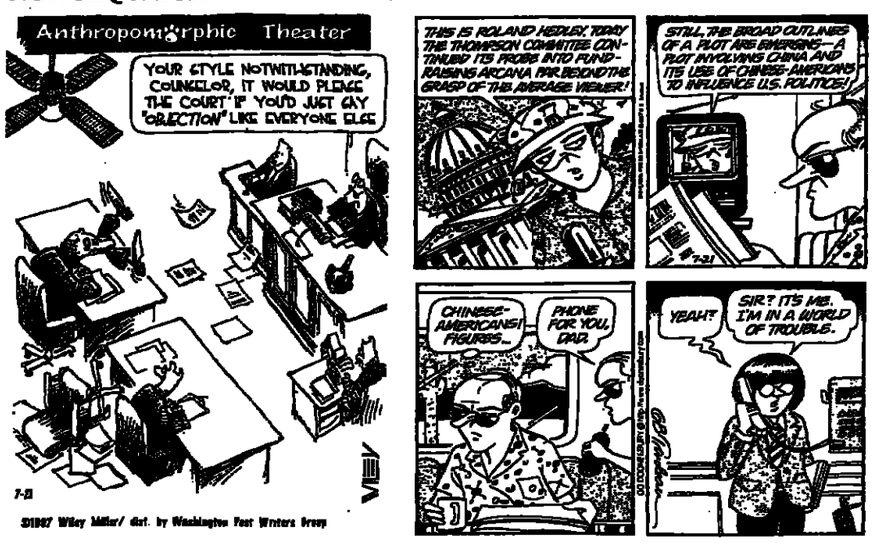
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BEETLE BAILEY



NON SEQUITUR



DOONESBURY

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

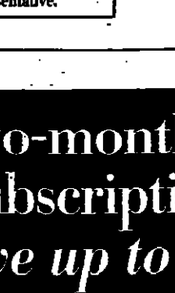
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

CRATT

OINES

LOGYOM

TRUFOH



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer:

(Answers tomorrow)

Saturday's Jumbles: DUNCE STOKE POROUS ABUSED
Answer: What the timid hunters did — PASSED THE BUCK

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ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	186	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
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SPORTS

No Nonsense For Boxing's Celebrity Ref

He Runs the Ring As He Runs Court – With an Iron Hand

By Tom Friend
New York Times Service

RENO, Nevada — He sold the shirt. A collector from Canada, with a wad of bills, actually asked to buy his shoes first, but the shoes fit like slippers and, no, they weren't for sale, no way, no how. The shirt, though, the shirt was negotiable. "I'll give you $200 for it," the Canadian said, and Mills Lane, the most recognizable boxing referee on Earth, looked at his watch — T-minus one hour to Tyson vs. Holyfield — and said, "O.K., deal."

"Hey, man, one more thing," Lane added. "It's probably going to be a dirty shirt after this is all over."

"Don't care," the Canadian said. "I want the blood and all."

"O.K.," Lane said. "The blood and all."

Oh well, careful what you wish for. Lane's only regret is that he was never on his hands and knees that night, searching for the top of Evander Holyfield's ear.

He has never been one to break up a good fight but boxers all over this world are misbehaving, and somebody needs to slap them into shape. If no one else wants the job, Lane will take it.

It helps that he is a former Marine, and that he is a district judge.

It helps that he used to box, that he has no nose cartilage, that he wears a gold tooth and that he packs a gun in his desk drawer.

It helps that he used to repossess cars in the middle of the night.

It helps that he was a former district attorney with the nickname Maximum Mills.

It helps that he swears by the death penalty and that he wears a gold pendant in the shape of a noose.

It helps that he was still getting black eyes in alumni fights at the age of 47.

He has just stopped two heavyweight title fights because of technicalities — one gruesome, the other when Henry Akinwande played possum — and it takes a certain brawn (even though he is merely 5-feet-7 inches and 146 pounds) to wave everyone out of the ring. Some of the most egregious acts in boxing have occurred on his beat — Mike Tyson's biting, Oliver McCall's whimpering, Fan Man's landing his plane in the arena during Bowe-Holyfield II — and somehow he has made the instantaneous rulings that have turned him into a star.

It is why he is thinking of retirement.

It is why he signs autographs for 45 minutes at a time and why grown men want to buy the shirt off his back.

Lane's word is gospel, and so the sport of boxing has some redeeming value after all. Usually, the fight crowd wants to kill the ref, but fans would rather lionize this one.

As a child, Mills had a particular fondness for boxing. He had listened intently, on a scratchy radio, to the Joe Louis-Billy Conn fight and the Louis-Jersey Joe Walcott bout, and in his bedroom, he would shadowbox for hours.

His grandfather, Mills Lane I, was a banker in Georgia. His father, Remer, owned a South Carolina rice plantation called Combahee. He wanted young Mills to get an agricultural degree from the University of Michigan and then run the farm. But Mills preferred the Marine Corps.

While in Okinawa, he became the All-Far East Marine Corps boxing champion. When he returned he told his father that he wanted to box at the University of Nevada-Reno. No, Remer said.

Mills disobeyed, won the National Collegiate Athletic Association title in the 147-pound (66-kilogram) class in 1960, boxed in the Olympic Trials that year, and then announced that he wanted to be a lawyer. No, Remer said.

"Like all parents, he had his faults, but he was a good man," Lane said of his father. "Though I will say, every major decision I made, he disagreed with."

He was 11-1 after 12 pro fights, retired from the sport after law school and ended up refereeing. Still not one to go along with the crowd, he began crooning, "Let's get it on!" before every bout, and it stuck, just like he did.

For adventure, he began repossessing cars for a loan office and his long-term aspirations were to become district attorney and then "a kindly old judge."

It all came to fruition — after two divorces — "despite my IQ," he said. As the district attorney in Reno from 1983 to 1991, he had a 100 percent conviction record in murder cases.

As a Republican, he won his first race for judge with 70 percent of the vote and then ran unopposed his second term. His campaign manager would write him bipartisan speeches, but Lane would wad them up and plead for the death penalty.

He applied to buy a gun — a gun he would adoringly name Dr. Colt.

"The reason I carry a Colt and not a Smith & Wesson," he said, "is because a Smith & Wesson you only get five. A Colt, you get six. Dr. Colt. It goes everywhere I go, brother. Except on the airplanes." The government takes a dim view of that.

"Listen, I've been a prosecutor and a judge. I've got a lot of folks in the state pen. Some are out. Some are in. Some are going to get out. Well, if they come after me, they come after me, but it's more to protect my family, I think, at home. Because if somebody's going to do you, they're going to pick the place and pick the time and they're going to do you. Not much you can do about it. But I like to know that if it comes down to it, and I'm aware, I've got a chance."

Being as politically incorrect as he was, the Nevada bar cringed when Lane won his judicial election in a landslide, in 1991, and even he said, "If I were in the private bar, I don't know if I would've voted for Mills Lane."

A lot of his popularity has to do with his boxing refereeing and he brings a bit of his courtroom with him to every fight. The buckle he wears in the ring was made in prison by a man he convicted of triple homicide. The man mailed it to Lane and thanked him for straightening out his life.

Lane refereed his first high-profile fight in 1978 — Larry Holmes vs. Ken Norton — but the career is winding down. He has officiated 97 title fights, and he turns 60 on Nov. 12. He has hinted that he may retire in a few months.

It would be the end of a colorful career.

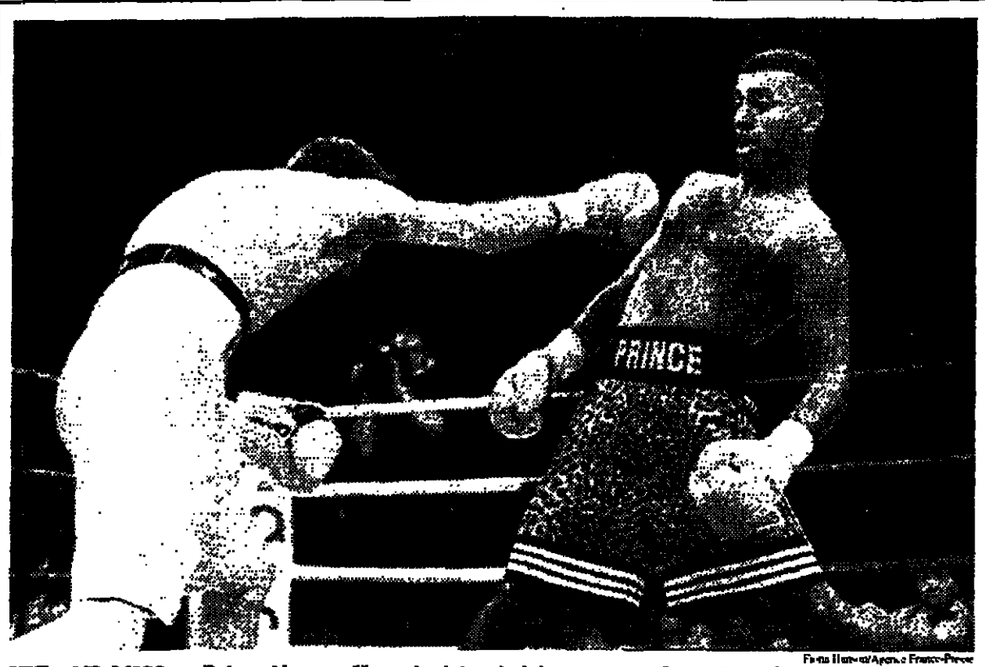
When Tyson bit Holyfield's ear the first time, it was Lane who instantly deducted 2 points.

"You bit him in the ear," Lane said directly to Tyson.

"That was a punch," Tyson said.

"Bull!" Lane said — leaving the baddest man on Earth speechless.

Guess there is a new baddest man.



Fiona Hanson/Agence France-Presse

HIT AND MISS — Prince Naseem Hamed, right, dodging a punch from Juan Cabrera of Argentina during a bout at Wembley Arena. Hamed successfully defended his World Boxing Organization and International Boxing Federation featherweight titles, stopping Cabrera in the second round.

Corretja Wins Twice To Claim His 3d Title

Compiled by Our Staff From Dispatches

STUTTGART — Alex Corretja won his third clay-court title of the year Sunday but had to do double duty, playing his semifinal and final on the same day.

Corretja, a Spaniard, beat Karol Kucera, an unseeded Slovakian, 6-2, 7-5, in the final after letting a 5-1 lead slip in the second set. Corretja dropped his serve in the seventh and ninth games before breaking Kucera to win the match.

Corretja had won at Estoril, Portugal, in April and the Italian Open in May.

In the morning Corretja beat a compatriot, Albert Costa, the ninth seed, 6-4, 6-4 in a semifinal that had been postponed Saturday because of rain.

Kucera also played his semifinal Sunday. He prevented a fourth all-Spanish final this year on the ATP Tour with a 6-4, 6-3 victory over Albert Portas.

The final, a battle of slugging baseliners, was reduced from the best-of-five sets to best-of-three.

Afterward, Corretja used the public address system to serenade the crowd with a version of "La Bamba" after an invitation from the stadium announcer.

• Michael Chang, the No. 1 seed, had to battle to win his semifinal against No. 11 seed Brett Stevens 6-2, 7-5 (7-4) in the Legg Mason Classic in Washington on Saturday.

In the other match, second-seed Petr Korda of the Czech Republic beat an American, David Wheaton, 6-2 6-3.

Chang cruised through the first set, but trailed 1-4 in the second set before winning three straight games. In the tie-breaker, Chang took a 3-0 lead and then held his service, finishing the match off with an overhead smash.

"Being pushed was good for me," Chang said. "I had to hit a lot of balls and that's always good."

• Monica Seles, suffering from back spasms through most of the match, quit in the second set of the semifinals of the A&P Classic in New Jersey on Saturday, allowing Chanda Rubin to advance to the finals on a 3-6, 3-2 victory.

Rubin, ranked 29, will play 16-year-old Anna Kournikova of Russia in the championship match. Kournikova beat Maggie Maleeva of Bulgaria, 6-4 6-1, on Saturday.

Seles received massages to her mid-back on three visits to courtside by the tournament trainer. *(Reuters, AFP, AP)*

Victory Again Eludes Springboks

Compiled by Our Staff From Dispatches

JOHANNESBURG — Yet again, South Africa fell agonizingly short in a home test match.

Last month, the Springboks dominated the first two tests against the British Lions but lost both. On Saturday, they lost their opening game against New Zealand's All Blacks in the Tri-nations tournament, 35-32, when Jannie de Beer hit the post with a penalty in the dying moments.

De Beer, whose kicking kept the Springboks in the match in the second half, dropped two goals, kicked four penalties and converted the Springboks' two tries.

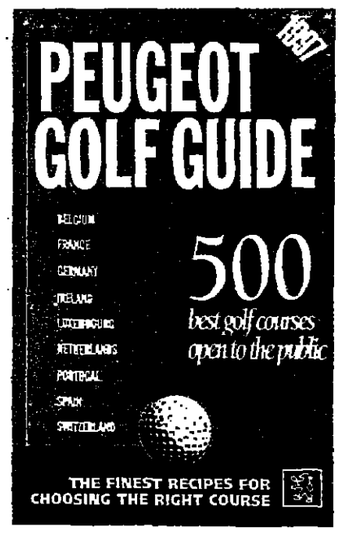
Naka Drotske and Russell Bennett had scored the tries as South Africa took a 23-7 lead after 30 minutes, but the All Blacks, showing more invention in attack, rallied and scored four tries. Frank Bunce scored two and Jeff Wilson and Carlos Spencer one each.

Wales 28, Canada 25 In Toronto, Leigh Davies dived over for a try nine minutes from the end of regulation time, and Arwel Thomas converted after Mike Schmid had scored his second try to give the home team a 25-21 lead. *(AFP, Reuters)*



Tana Umaga of the All Blacks, left, trying to escape James Small.

Which Golf Course will you be playing next week end ?



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BASEBALL

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AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	58	36	.617	—
New York	55	40	.579	3'
Toronto	45	48	.484	12½
Detroit	45	50	.474	13½
Boston	44	52	.458	15

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	50	40	.556	—
Chicago	48	47	.505	4'
Milwaukee	44	48	.478	7
Minnesota	43	52	.453	9½
Kansas City	38	54	.413	13

WEST DIVISION

	W	L	Pct.	GB
Seattle	54	43	.557	—
Anaheim	53	43	.552	½
Texas	46	49	.484	7
Oakland	40	59	.404	15

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	62	35	.639	—
Florida	56	39	.589	5
New York	54	42	.563	7'
Montreal	51	44	.537	10
Philadelphia	28	66	.298	32'

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	50	48	.510	—
Pittsburgh	48	48	.500	1
St. Louis	47	49	.490	2
Cincinnati	42	53	.442	6'
Chicago	41	56	.423	8

WEST DIVISION

	W	L	Pct.	GB
San Francisco	54	43	.557	—
Los Angeles	51	46	.526	3
San Diego	45	52	.464	9
Colorado	44	54	.449	10

FRIDAY'S LINESCORES

AMERICAN LEAGUE

Boston 100 202 011—7 14 1
Cleveland 000 000 000—0 6 0
Wakefield and Hatteberg; Colon, Jacome (7), Plunk (9) and S.Alomar. W—Wakefield, 4-10. L—Colon, 2-3. HRs—Boston, Hatteberg (7), Frye (2).

Chicago 000 000 111—3 10 1
Baltimore 000 000 000—0 3 0
Baldwin, T. Castillo (8), R. Hernandez (9) and Fabregas; Mussina, Ra.Myers (9) and Hoiles. W—Baldwin, 7-9. L—Mussina, 10-4. Sv—R. Hernandez (24). HR—Chicago, Belle (21).

New York 200 000 110—4 10 1
Milwaukee 100 000 10x—4 11 1
Gooden, Kn.Rogers (6) and Posada; D.Amico, Wickman (7), Villone (8), Fetters (9) and Levis. Mathews (8). W—D.Amico, 8-4. L—Gooden, 3-3. Sv—Fetters (1). HRs—New York, O'Neill (12), Curtis (7). Milwaukee, Vaughn (6), Cirillo (7), Burnitz (14).

Detroit 002 201 000—5 8 1
Texas 020 010 100—4 11 0
Blair, Brocail (7), M. Myers (8), To.Jones (9) and Casanova; Witt, Gunderson (6), Patterson (8) and I. Rodriguez. W—Blair, 8-4. L—Witt, 10-5. Sv—To.Jones (15). HR—Texas, Palmer (12).

Toronto 001 000 100—2 4 0
Anaheim 000 001 000—1 7 1
W.Williams, Spoljaric (7), Escobar (9) and B. Santiago; Watson, P.Harris (9) and Kreuter. W—W. Williams, 5-8. L—Watson, 8-6. Sv—Escobar (2). HRs—Toronto, B. Santiago (4), A. Gonzalez (8).

Kansas City 100 200 010—4 9 1
Seattle 200 300 00x—5 7 1
Bones, Cosian (4), Olson (7) and M.Sweeney; Ra.Johnson and Da.Wilson. W—Ra.Johnson, 13-2. L—Bones, 0-2. HR—Kansas City, Halter (1).

Minnesota 002 103 001—7 14 1
Oakland 000 100 011—3 8 0
Hawkins, Guardado (9) and Steinbach; Wojciechowski, D. Johnson (6), Haught (7) and Mayne. W—Hawkins, 2-5. L—Wojciechowski, 0-2. HRs—Oakland, Stairs (17), Brosius (8).

NATIONAL LEAGUE

San Diego 004 100 000—5 9 0
Florida 000 100 020—3 11 0
P.Smith, Cunnane (6), Brusko (8), T.Worrell (9) and Romero; A.Fernandez, Helling (6), Whisenant (8), Hutton (8), F. Heredia (9) and C. Johnson W—P. Smith, 3-1. L—A. Fernandez, 10-8. Sv—T.Worrell (31). HRs—San Diego, Romero (11), Florida, Renteria 2 (3), Eisenreich (2).

Houston 000 110 000—2 8 1
Montreal 000 000 000—0 6 0
R.Garcia, B. Wagner (9) and Ausmus; P.J.Martinez, M. Valdes (8), Telford (9) and Fletcher. W—R. Garcia, 4-7. L—P. J.Martinez, 11-5. Sv—B. Wagner (16).

San Francisco 010 000 211—5 11 1
St. Louis 100 010 00x—3 6 1
Estes, Poole (6), Tavarez (8) and P. Valkenburg; Stottlemyre, Bottalico (7), T. J.Martinez (8), Eckersley (9) and Lampkin. W—Stottlemyre, 9-6. L—Estes, 12-4. Sv—Eckersley (22). HRs—San Francisco, D. Hamilton (3), Mueller (3). St. Louis, Gant (15).

Los Angeles 000 000 100—1 7 1
Atlanta 020 010 10x—4 9 0
D.Reyes, Guthrie (7) and Piazza; Neagle, Wohlers (9) and Edd Perez. W—Neagle, 12-2. L—D. Reyes, 1-1. Sv—Wohlers (29). HRs—Los Angeles, Mondesi (19). Atlanta, McGriff (12), A. Jones (31).

Pittsburgh 210 000 300—6 11 1
Philadelphia 000 008 00x—8 9 1
Loiker, Christiansen (6), Parrish (6), P. Wagner (7), Sodowsky (8) and Kendall. M.Leiter, Spradlin (7), Bottalico (8) and Lieberthal. W—M. Leiter, 5-10. L—Loiker, 6-9. Sv—Bottalico (16). HR—Pittsburgh, K.Young (12).

Cincinnati 011 001 000—3 5 3
New York 004 000 00x—4 5 0
Morgan, Remlinger (6), Sullivan (8) and Taubensee; J. Oliver (7), B.J.Jones, Crawford (3), Acevedo (7), Jo.Franco (8) and Hundley. W—Crawford, 1-1. L—Morgan, 3-7. Sv—Jo.Franco (24). HR—Cincinnati, Taubensee (7).

SATURDAY'S LINESCORES

AMERICAN LEAGUE

Boston 103 000 071—6 8 1
Cleveland 000 010 020—3 9 0
Suppan, Mahay (7), Corsi (7), Slocumb (9) and Stanley, Hatteberg (9); Te.Clark, Mormon (8), Weathers (8), Mesa (9) and Borders. W—Suppan, 4-0. L—Te.Clark, 0-1. Sv—Slocumb (14). HRs—B. Jn Valentin 2 (9).

Chicago 100 200 000—3 9 1
Baltimore 003 002 03x—8 9 0
Drabek, Simas (6), T. Castillo (7), Karchner (8), C. Castillo (8) and Fabregas; Kamieniecki, Rhodes (6), Mills (7), Orosco (7), A.Benitez (8) and Webster. Holles (4). W—Rhodes, 7-2. L—Simas, 3-1. Sv—A. Benitez (7). HRs—Baltimore, R. Palmeiro (18), Hammonds (16), Hoiles (9).

Minnesota 000 021 400—7 11 1
Oakland 010 200 300—6 12 1
D.Stevens, Swindell (5), Trombley (7), Fr.Rodriguez (7), Guardado (8), Aguilera (9) and G.Myers, Rigby, Wengert (6), Giovanola (7), A. Small (7), Taylor (9) and Mayne. Ga.Williams (9). W—Swindell, 5-2. L—Wengert, 3-9. Sv—Aguilera (18). HRs—Oakland, Giambi (12), Canseco (19).

New York 202 101 020—8 14 0
Milwaukee 000 000 000—0 3 2
D.Wells and Girardi, J.Mercedes, Adamson (5), A. Reyes (8) and Matheny, Stanifer (9). W—D. Wells, 10-3. L—J. Mercedes, 3-5. HR—New York, P. Kelly (11).

Detroit 010 020 110—4 10 0
Texas 200 000 200—5 9 0
Dishman, Alvarez (6), M. Myers (7), Brocail (7), To.Jones, Svi and Wallbeck; K.Hill, Vosberg (7), X. Hernandez (7), Gunderson (8), Stottlemyre (8) and I. Rodriguez. W—Brocail, 2-4. L—X. Hernandez, 3-4. Sv—To.Jones (16).

Kansas City 000 000 054—9 10 0
Seattle 002 201 000—6 11 0
Rusch, McPhee (6), Carrasco (7), J. Montgomery (8) and M.Sweeney, Wilcox, Olivares (8), Charlton (8), Ayala (8) and Da.Wilson. W—J. Montgomery, 1-3. L—Ayala, 6-4. HRs—Kansas City, T.Goodwin (12), J. Bell (14). Seattle, A. Rodriguez (14), Buhner (25).

Toronto 020 100 000—3 8 0
Anaheim 000 301 001—5 6 1
Person, Quantrill (6), Plesac (7), Timlin (9) and B. Sanhana; Dickson, Holtz (7), Gross (9), Da.May (9), Percival (9) and Leyritz. W—Percival, 4-4. L—Timlin, 2-7. HRs—Toronto, S. Green (11), A. Gonzalez (9). Anaheim, Salmon (17), Leyritz (11).

NATIONAL LEAGUE

Cincinnati 020 000 001—3 7 0
New York 000 020 03x—5 5 0
Schourek, Tomko (6) and J. Oliver; R.Reed, McMichael (9) and Prah. W—R. Reed, 7-4. L—Tomko, 5-3. Sv—McMichael (5). HRs—C.W. Greene (15), N.Y.Gilkey (10), R. Reed (1).

Pittsburgh 000 532 012—13 17 0
Philadelphia 000 030 000—3 12 2
Cooke, M. Wilkins (7), Loiselle (9) and Kendall; T.Green, Ruffcorn (5), R. Harris (7), Brewer (8), Gomes (9) and Parent. W—Cooke, 8-9. L—T. Green, 0-1. HR—Pittsburgh, Sveum (7).

Colorado 000 000 000—0 4 0
Chicago 000 124 00x—7 11 0
First game—Jm.Wright, Dipoto (6), McCurry (8) and Manwaring; Trachsel, Wendell (8) and Houston. W—Trachsel, 5-7. L—Jm.Wright, 4-6.

Los Angeles 010 300 000—4 8 0
Atlanta 000 010 000—1 4 0
Astacio, Radinsky (8) and Piazza; Millwood, Cather (6), CFox (7), Embree (9) and Spehr. W—Astacio, 6-7. L—Millwood, 1-1. Sv—Radinsky (1). HR—A. Graffanino (3).

Colorado 020 201 000—5 13 2
Chicago 000 040 11x—6 8 0
F.Castillo, Leskanic (5), Dipoto (7), S. Reed (7), McCurry (8), M.Munoz (8) and Jo.Reed; Telemaco, Bottenfield (4), R. Tatis (6), T.Adams (6), Patterson (8), Wendell (8), Rojas (9) and Servais. W—Wendell, 3-5. L—McCurry, 1-3. Sv—Rojas (11).

San Diego 000 000 050—5 5 2
Florida 402 001 10x—8 12 1
Dn.Jackson, Bochtler (4), Bergman (6), Cuiliano (8) and Flaherty. L. Hernandez, F. Heredia (7), Powell (8), Nen (9) and C.Johnson. W—L. Hernandez, 3-0. L—Dn.Jackson, 2-4. HRs—F. C. Johnson 2 (9).

Houston 001 120 202—8 16 1
Montreal 200 000 111—6 8 1
Reynolds, Lima (6), T. Martin (7), P. Springer (9), B. Wagner (9) and Ausmus; Juden, Telford (6), D. Veres (8), Daal (9), DeHart (9) and Wagner. W—Reynolds, 5-6. L—Juden, 11-3. Sv—B. Wagner (17).

San Francisco 010 040 011—7 13 1
St. Louis 010 100 22x—6 11 1
Rueb, Tavarez (6), R. Rodriguez (7), D. Henry (8) and Berryhill; Petkovsek, Bottalico (5), Fossas (7), Frascatore (8), Eckersley (9) and Lampkin. W—Frascatore, 4-2. L—D. Henry, 2-4. Sv—Eckersley (22). HRs—St. Louis, Gant (14), Painter (2).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yakult	49	30	1	.619	—
Hiroshima	40	36	0	.526	7½
Yokohama	37	39	0	.487	10½
Hanshin	37	41	1	.475	11½
Chunichi	38	43	0	.469	12
Yomiuri	34	46	0	.425	15½

PACIFIC LEAGUE

	W	L	T	Pct	GB
Orix	42	31	2	.573	—
Seibu	44	33	2	.570	—
Daiei	42	38	0	.525	3½
Nippon Ham	39	41	1	.482	7
Kintetsu	34	44	1	.437	10½
Lotte	31	44	2	.416	12

SATURDAY'S RESULTS

CENTRAL LEAGUE

Yakult 5, Yomiuri 3
Yokohama 8, Hiroshima 2
Chunichi 4, Hanshin 0

PACIFIC LEAGUE

Seibu 4, Kintetsu 2
Orix 4, Nippon Ham 1
Lotte 5, Daiei 1

SUNDAY'S RESULTS

CENTRAL LEAGUE

Yomiuri 7, Yakult 4
Hiroshima 2, Yokohama 1
Hanshin 6, Chunichi 2

PACIFIC LEAGUE

Orix 14, Nippon Ham 4
Kintetsu 5, Seibu 3
Lotte 6, Daiei 5, 10 innings

CRICKET

AUSTRALIA TOUR

MIDDLESEX VS AUSTRALIA
3-DAY MATCH, 2D DAY
SUNDAY IN LONDON, ENGLAND
Middlesex: 305 all out
Australia: Australia 251-6

ASIA CUP

INDIA VS. PAKISTAN
SUNDAY IN COLOMBO, SRI LANKA
Pakistan: 26-5
Match between India and Pakistan abandoned due to poor light after rain interrupted play twice. It will be replayed on Monday to decide who meets Sri Lanka in final on July 26.

RUGBY UNION

TRI-NATIONS
SATURDAY IN JOHANNESBURG
South Africa 32, New Zealand 35

WALES TOUR
TEST MATCH
Canada 25, Wales 25

TENNIS

MERCEDES CUP
IN STUTTGART, GERMANY
QUARTERFINALS
Karol Kucera, Slovakia, def. Sergi Bruguera (4), Spain, 6-3, 7-6, 7-5.
Albert Portas, Spain, def. Felix Mantilla, Spain, 6-2, 6-4.
SEMIFINALS
Alex Corretja (3), Spain, def. Albert Costa (9), Spain, 6-4, 6-4.
Kucera def. Portas, 6-4, 6-3.
FINAL
Corretja def. Kucera, 6-2, 7-5.

LEGG MASON CLASSIC
IN WASHINGTON, D.C.
QUARTERFINALS
Brett Stevens (11), N.Zeal. def. Ramesh Sehgal, Ger., 6-3, 6-3. Petr Korda (2), Czech., def. Thomas Haas (6), Ger., 6-7 (2-7), 6-4, 6-4.
David Wheaton, U.S., def. Vince Spadea (16), U.S., 6-2, 4-6, 6-2. Michael Chang (1), U.S., def. Scott Draper (7), Australia, 6-2, 6-3.
SEMIFINALS
Korda def. Wheaton, 6-2, 6-3.
Chang def. Stevens, 6-2, 7-6 (7-4).
FINAL
Chang def. Korda, 6-4, 6-4.

PALERMO CUP
IN PALERMO, ITALY
QUARTERFINAL
Elena Makarova, Russia, def. Silvia Farina (5), Italy, 7-5, 7-5 (7-3).
Barbara Schett (2), Austria, def. Virginia Ruano-Pascual (6), Spain, 6-2, 5-7, 6-4 (7-3).
Barbara Paulus, Austria, def. Ines Gorrochategui, Argentina, 2-6, 6-3, 6-2.
Sandrine Testud (2), Fr., def. Emmanuelle Gagliardi, Switz., 6-7 (13-15), 6-3, 6-2.
SEMIFINALS
Testud def. Schett, 6-4, 6-3, 7-6 (7-3).
Makarova def. Paulus, 6-4, 7-5.
FINAL
Testud def. Makarova, 7-5, 6-3.

CZECH OPEN
IN PRAGUE, CZECH REPUBLIC
SEMIFINALS
Marion Maruska, Austria, def. Catalina Cristea, Romania, 6-2, 6-1.
Jeanette Kruger, South Africa, def. Jaroslava Martinek, Germany, 7-5, 6-1.
FINAL
Kruger def. Maruska, 6-1, 6-1.

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

SEATTLE—Traded RHP Scott Sanders, RHP Dean Crow and 3B Carlos Villalobos to Detroit Tigers for RHP Omar Olivares and RHP Felipe Lira. Recalled RHP Edwin Hurtado from Tacoma, PCL. Sent RHP Jaskas Manzanillo outright to Tacoma.

NATIONAL LEAGUE

FLORIDA—Traded RHP Pat Rapp to San Francisco Giants for RHP Brandon Leese and RHP Bobby Rector. Recalled RHP Livan Hernandez from Charlotte, IL. Sent OF Cliff Floyd to Charlotte.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION

CHARLOTTE—Named Paul Silas assistant coach.
ORLANDO—Re-signed F Derek Strong to 1-year contract.
SACRAMENTO—Re-signed C Kevin Salvadori.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

INDIANAPOLIS—Waived WR Mark Stock. Re-signed FB Clif Groce.
KANSAS CITY—Agreed to terms with WR Chris Penn on 3-year contract. Signed RB J.J. Smith to 2-year contract.
MINNESOTA—Signed LB Dwayne Rudd to 4-year deal.
NEW ENGLAND—Signed CB Chris Canty to 4-year contract.
NEW ORLEANS—Signed G Chris Naeole to 5-year contract. Agreed to terms with DE Jared Tomich and S Rob Kelly to 3-year contracts and PK Doug Brien on 1-year contract. Terminated contract of DT Willie Broughton. Waived G Darion Reese. Put TE Paul Geason, S Mike Jenkins, T Kyle Hills and RB Ray Zellars on physically unable to perform list. Released S Lee Harvey.
NEW YORK GIANTS—Signed WR Ike Hilliard to six-year contract and S Maurice Douglass. Waived-failed physical LB Ben Talley. Put DL Jamal Duff on physically unable to perform list. Put WR Brian Roberson on injured reserve.
NEW YORK JETS—Signed WR-KR Dedric Ward, DE Terry Day, RB Leon Johnson, LB Tim Scharf, QB Chuck Clements and P Monty Key. Waived P Chris MacInnis.
OAKLAND—Re-signed RB Derrick Fenner.
PHILADELPHIA—Signed WR Mark Seay and WP Alan Allen. Announced retirement of WR Mike Caldwell. Released WR Steve Pharm.
PITTSBURGH—Agreed to terms with LB Jerson Gideon.
SAN DIEGO—Signed G Ron Lewis.
SAN FRANCISCO—Signed DT Steve Emtman to 1-year contract and DL Junior Bryant and TE Greg Clark to 3-year contracts. Signed T Andrew Moore.
ST. LOUIS—Signed S Ron Carpenter.
TAMPA BAY—Signed T Jerry Wunsch and to 4-year contract and CB Ronde Barber. LB Alshermond Singleton and TE Patrick Hape to 3-year contracts. Signed CB Anthony Parker. Released TE Tracy Greene, WR Shaston Coleman and CB Floyd Young. Re-signed RB Jerry Ellison and S Tony Bouie to 1-year contracts.
TENNESSEE—Signed DE Kenny Holmes to multi-year deal.

HOCKEY
NATIONAL HOCKEY LEAGUE

ANAHEIM—Signed Don Hay assistant coach to 3-year contract.
BOSTON—Signed F Antti Laaksonen to 2-year contract.
DALLAS—Signed LW Bob Errey to 3-year contract. Re-signed D Darryl Sydor and RW Peter Ziezuns to 1-year contracts.
EDMONTON—Traded W Vladimir Vujtek to Tampa Bay Lightning for RW Brantt Myhres and conditional draft choice.
FLORIDA—Signed F Oleg Kvasha.
LOS ANGELES—Signed C Olli Jokinen to 3-year contract. Signed D Mark Visheau to 2-year contract.
NEW YORK RANGERS—Agreed to terms with D Jeff Finley.
MONTREAL—Agreed to terms with G Andy Moog on 2-year contract.
OTTAWA—Signed C Cleyton Beddoes to 1-year contract.
PHOENIX—Signed D Richard Lintner to 3-year contract.
PHILADELPHIA—Signed D Travis VanThigham and RW Brent Brunnings to 1-year contracts.
ST. LOUIS—Agreed to terms with G Rich Parent. Signed D Chris McAlpin, D Terry Virtue and D Terry Hollinger.
SAN JOSE—Signed C Marco Sturm and C Alex Korolyuk. Re-signed C Ron Sutter.
TAMPA BAY—Signed D Yves Racine.

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~Memorable Moments from Johnnie Walker: RYDER CUP *with Bernard Gallacher*



1989. SEVE EAGLES BELFRY'S 10th ON WAY TO STUNNING FOURBALL VICTORY.
Written with B. Simmons. Designed & Illustrated by Dan Lepard & Jonathan Hall for International Herald Tribune / Professional Sports Partnerships Ltd.

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Royals' 9-Run Rally Scuttles the Mariners

Rare Road Victory for Kansas City

The Associated Press

The Kansas City Royals ended their 12-game losing streak on the road in Seattle, rallying for five runs in the eighth inning and four more in the ninth against the Mariners' struggling bullpen for a 9-6 victory.

The Royals completed their comeback Saturday night from a 6-0 deficit when Jeff King hit a tying sacri-

Baseball Roundup

fice fly in the ninth. Craig Paquette followed with a single that scored a run, and Shane Halter had a two-run double.

Bobby Ayala (6-4) was the loser, pitching the ninth and absorbing the Mariners' 14th blown save of the season. The Royals' win was only their second in their last 18 games. Omar Olivares, in his Mariners debut, and Norm Charlton also failed to hold a lead Seattle had built behind Bob Wolcott.

Jeff Montgomery (1-3) pitched two perfect innings for the victory.

The Royals trailed 6-5 when Tom Goodwin and Jay Bell singled with one out in the ninth. Chili Davis walked to load the bases before King's fly ball tied it.

Wolcott took a two-hitter and 6-0 lead into the eighth but left with one out after Goodwin hit an inside-the-park home run and Bell followed with a homer.

Olivares, acquired a day earlier in a trade with Detroit, relieved Wolcott and walked the only two batters he faced.

Charlton took over, with his 7.89 earned-run average, and Paquette met him with a two-run, pinch-hit double. Then Mike Sweeney hit an single with two outs, scoring a run. Ayala struck out David Howard to end the inning.

Alex Rodriguez hit a two-run homer, his 14th, for the Mariners in the third inning off Glendon Rusch. Jay Buhner hit his 25th home run in the fifth, and Rodriguez singled home a run in the sixth.

Red Sox 6, Indians 3 In Cleveland, John Valentin hit two bases-empty homers and Wilfredo Cordero had a three-run double as Boston beat Cleveland.

A day after knuckleballer Tim Wakefield fluttered his way to a six-hit shutout of the Indians, Jeff Suppan (4-0) shut them down with a more conventional arsenal, allowing one run and five hits in six innings.

Terry Clark, making his second start of the season, allowed four runs and six hits in seven innings. Clark, who has pitched portions of 19 seasons in the minors, walked two and struck out five in his longest major-league outing since 1988.

Orioles 8, White Sox 3 Chris Hoiles entered the game as an emergency replacement and hit a tie-breaking homer in the sixth inning as Baltimore, playing at home, ended a three-game losing streak.

Rafael Palmeiro and Jeffrey Hammonds also homered for the Orioles, who won for just the third time in 12 games.

Dave Martinez had three singles and three stolen bases for the White Sox, who have lost five of six.

Twins 7, Athletics 6 Pinch hitter Roberto Kelly's run-batted-in single and a two-run double by Paul Molitor highlighted visiting Minnesota's four-run seventh.

Jose Canseco hit a three-run homer, his 19th, in the bottom of the inning as the host A's closed to 7-6.

Tied 3-3, the Twins loaded the bases in the seventh with three consecutive singles off Don Wengert (4-9). Kelly's base hit off Buddy Groom made it 4-3, and Molitor followed with a double off Aaron Small to give the Twins a three-run lead.

Canseco brought the A's within a run in the bottom of the inning with his 470-foot shot off Francisco Rodriguez. The homer was the longest at Oakland Coliseum since the A's began measuring every home run in 1992.

Yankees 8, Brewers 0 David Wells pitched a three-hitter for his 100th career victory, and Paul O'Neill had four hits and drove in four runs, leading New York over host Milwaukee.

Wells (10-4) pitched his second career shutout, both of them against the Brewers. He walked none and struck out four.

O'Neill went 4-for-5 and Pat Kelly homered for the Yankees. Scott Pose had three of New York's 14 hits.

Tigers 6, Rangers 5 Brian Hunter singled home the go-ahead run in the eighth inning as Detroit defeated Texas, the host Rangers' fifth loss in six games.

Angels 5, Blue Jays 4 In Anaheim, California, Tony Phillips singled home the winning run with two out in the ninth inning as the Angels beat Toronto for their 11th victory in 12 games.

Luis Alicea drew a one-out walk from Mike Timlin (2-2) and stole his career-high 13th base with two out. Phillips followed with a single, and Alicea slid home well ahead of left fielder Joe Carter's throw.

Mets 5, Reds 3 Bernard Gilkey's three-run homer broke a tie in the eighth inning and gave New York a victory over visiting Cincinnati. Rick Reed (7-4) hit his first major-league home run in the fifth, a game-tying two-run shot, and pitched eight innings.

The right-hander allowed six hits and matched his season high with seven strikeouts.

Pirates 13, Phillies 3 In Philadelphia, Dale Sveum homered and drove in three runs, and Pittsburgh used a season-high 17-hit attack to snap a three-game losing streak.

The first seven hitters in Pittsburgh's lineup each had at least two hits, and Kevin Young added three RBIs.

Dodgers 4, Braves 1 Pedro Astacio allowed three hits in 7⅓ innings for his first career victory over host Atlanta.

Astacio (6-7) was 0-9 with a 4.55 ERA in 11 previous appearances — nine starts — against the Braves.

Kevin Millwood (1-1) lost his first major-league start, allowing four runs and seven hits in five innings.

Cardinals 8, Giants 7 In St. Louis, Ron Gant hit a three-run homer in the eighth inning, rallying the Cardinals over San Francisco.

The Giants scored once in the ninth off Dennis Eckersley but lost for the seventh time in 10 games since the All-Star break. Eckersley held on for his 23rd save, preserving the victory for John Frascatore (4-2).

Marlins 8, Padres 5 In Miami, Charles Johnson hit two home runs and rookie Livan Hernandez allowed one hit in six innings to help Florida beat San Diego.

Florida led 4-0 before Danny Jackson (2-8) retired a batter, and the margin was 8-0 after seven innings.

Johnson hit a two-run homer in the third and added a solo homer in the seventh, giving him nine for the season.

Astros 8, Expos 6 Jeff Bagwell and Tim Bogar homered and Houston stole seven bases in holding off Montreal to win for the ninth time in 12 games.

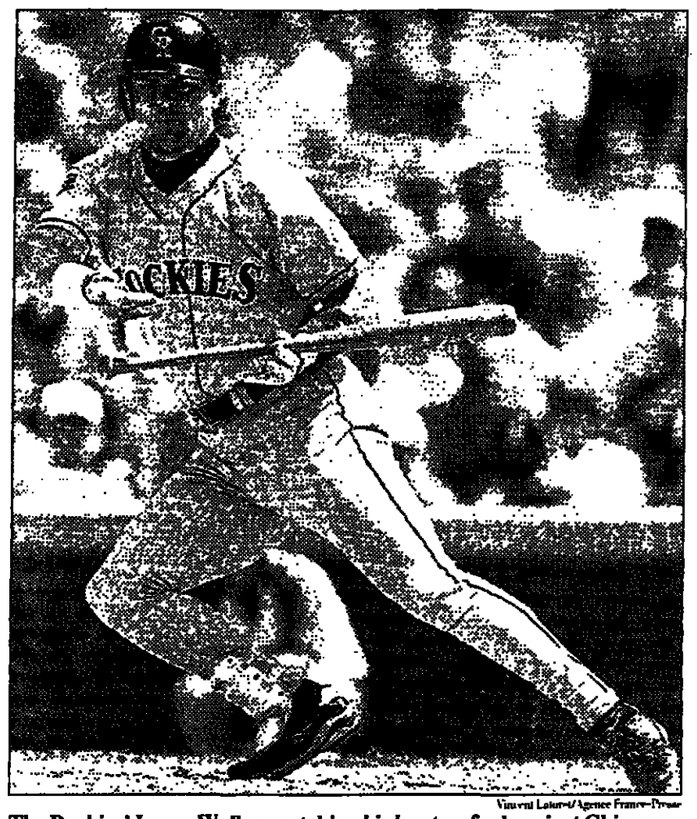
The Expos got one run in the ninth inning and had the bases loaded with one out but did not score again against Billy Wagner, who got his 17th save.

The Astros' seven steals gave them a tie for the one-game record in the majors this season and were one short of the team record set in 1990.

Cubs 7, Rockies 0; Cubs 6, Rockies 5 In Chicago, Mark Grace hit a tie-breaking sacrifice fly in the eighth inning as Chicago completed a doubleheader sweep and sent the Rockies to their eighth straight loss.

The Cubs won the opener as Steve Trachsel (5-7) pitched seven shutout innings.

In the second game, the Cubs pushed across the go-ahead run with the aid of a throwing error by first baseman Andres Galarraga. The loss was the Rockies' 15th in 16 games.



Vincent Laforet/Agence France-Presse

The Rockies' Larry Walker watching his bunt go foul against Chicago.

A Needless Switch Puts Ripken's Streak at Risk

By Thomas Boswell
Washington Post Service

The end of The Streak is arriving. If you put your ear to the infield dirt, you can hear it coming. Slowly, inexorably, one year at third base is doing to Cal Ripken what 15 years at shortstop couldn't. It's wearing him down.

The Orioles' manager, Davey Johnson, removed Ripken from the game

Vantage Point

Tuesday night after Johnson asked him, "Is your back hurting you?" and Ripken replied, "A little bit."

Johnson said, "When your back is in spasm, that's the most debilitating thing you can have."

He added: "The first four innings, he looked like he needed back surgery. But toward the end, he loosened up. I figured he had had enough."

If you've played in 2,408 games in a row but your manager thinks you look like you "need back surgery," what are your chances odds of reaching 2,500?

Ripken said two days later that his recent back spasms were not related to playing third base. He said it was a recurrence of a nagging career-long problem that flares up a few times every season. This season, at third, the demands for a deeper crouch and more reckless head-first dives after hard smashes have been shaking up the old Ripken spine.

"Shortstop, to me, was not demanding physically," Ripken said. "To me, third base is very demanding physically."

Most likely, he has made his peace with playing third base, including the increased pain, and he is trying stoically to avoid controversy: The switch is a done deal, so live with it.

But it didn't have to be this way.

Ripken will be 37 next month. Neither his streak nor the latter stages of his career should be harder than they have to be. He deserves better. He has earned more. However, the Orioles had to fix something last year that was not broken. In the process, it's Ripken's back that sometimes feels like it's cracking.

Last season, Ripken was an above-average defensive shortstop. This year, in all probability, he would have been above-average again. And next year, too.

But the members of the Orioles brain trust from top to bottom fell in love with the idea of proving how smart they were. They convinced themselves that Ripken had lost a step at shortstop, rather than focusing on all the steps he still had.

When the Orioles signed the free-agent shortstop Mike Bordick for three years for $9 million last winter, it wasn't a total disaster.

But wait. Give it a chance.

Bordick is playing exactly as he always has. He's fulfilling his end of the bargain. Defensively, he's about as good as Ripken.

That's praise. Bordick may have a hair more lateral range, and he is a sparkplug type. Ripken's arm is stronger. He charged dribblers better and turned the double play harder.

Unfortunately. Bordick is, as should have been expected, one of the half-dozen least productive offensive players in baseball. The best that can be said of his .267 on-base percentage, .285 slugging percentage, 13 grounded-into-double-plays and zero stolen bases is that they are his career norm.

The Orioles should have known that Bordick was a plucky, popular Willie Miranda type, not a big-ticket purchase. And they should have appreciated Ripken's history of back spasms. You move a guy with back problems away from third base.

If the position switch had not been so controversial, with Ripken making it clear that he thought the move unnecessary, then the Orioles could have made the logical baseball moves a month ago when Chris Hoiles was hurt. How do you get more offense into the lineup until Hoiles returns? Obvious. Get Bordick out of it. Move Ripken back to shortstop. Get B. J. Surhoff back at third base, where he played last year. You've got plenty of outfield bats.

But egos would be bruised. Reputations tarnished. Past judgments called into question.

When a great offensive shortstop gets too old for the position, he should only make one final change to the position where he will end his career.

Will Ripken end at third? Or will the day come when he has to take his aching back to first base? Where, then, would Rafael Palmeiro go?

A normal human being might develop a chronic back problem at third base and make those who moved him there look awful. But sometimes Ripken does not seem entirely human. Maybe he will tough it out to 3,000 games and keep hitting .285 with 20-some homers and 90-some runs batted in.

"Just when everybody else is tired and you figure he must be, too, Cal's ready to wrestle," Johnson said. Nobody's going to tell Ripken to take a day off. Not even Johnson. But, increasingly as he ages, Ripken is going to feel the weight of his Streak. He shouldn't have to carry that burden on an aching third baseman's back.

Keeping Track of an NFL in Motion

It's Not Easy With 11 New Coaches and 7 New Starting Quarterbacks

By Mike Freeman
New York Times Service

Kent Graham has had a busy few months preparing to take over the Arizona Cardinals' starting quarterback job, but he couldn't help notice the oscillations that have taken place in the National Football League.

"You have to be locked up in a box not to see what has

NFL Roundup

been going on in the league the last few months," Graham said. "It's hard to keep track of who is coaching what team and what player is where."

So as training camps got into full swing last weekend, massive change was the theme. Eleven teams — more than a third of the league — changed head coaches.

The Carolina Panthers coach, Dom Capers, only in his third season, has the longest tenure of coaches in the National Football Conference West.

"Does that mean I'm an old man?" Capers joked.

There are seven new starters at quarterback with Jeff George, formerly with the Atlanta Falcons, leading the charge by signing a five-year, $26 million contract with the Oakland Raiders.

George and his former coach, June Jones, got into a shouting match on the sideline during a nationally televised game last season. Jones left Atlanta not long after George, and in stepped Dan Reeves, who used to coach the New York Giants.

When it comes to following the quarterbacks, break out the flow charts.

The New Orleans Saints signed Heath Shuler to replace Jim Everett and the Washington Redskins nabbed Jeff Hostetler to replace Shuler. George is with the Raiders to replace Hostetler and the Falcons signed Chris Chandler to replace George.

Are you keeping up?

The Tennessee Oilers — not only did quarterbacks and coaches change locales during the off-season but teams packed their bags as well — signed Dave Krieg to replace Chandler. The Chicago Bears signed Rick Mirer to replace Krieg and the Seattle Seahawks got a new quarterback in Warren Moon to replace Mirer as well as a new owner in Paul Allen. Jim Kelly retired. Kordell Stewart lost his nickname, "Slash" — because he played so many positions for Pittsburgh — and will play only at quarterback.

Got all that?

Change was not limited this off-season to one position or one team. Pittsburgh lost Willie Williams, Chad Brown, Ray Seals, Deon Figures and Rod Woodson to free agency. Desmond Howard bolted for Oakland, making it the second straight year a most valuable player in the Super Bowl changed teams. Larry Brown was the other.

The rich got richer when the Green Bay Packers signed linebacker Seth Joyner last week, and the rich want to get even richer as the Buffalo Bills' Bruce Smith and Washington's Sean Gilbert held out of their respective training camps because of contract fights. It may be weeks before they report.

And key players aren't missing camp time solely because of contract disputes.

Miami's No. 1 pick, receiver Yatil Green, could miss the season because of a practice injury last week to a torn anterior cruciate ligament in his right knee, according to his agent, Drew Rosenhaus.

The Dolphins are drowning. They also lost Larry Izzo, their reserve standout at linebacker and on special teams, with a torn left Achilles tendon. Izzo went down without being touched as did Green and Kirby Dar Dar, the wide receiver-special teams' player, with a torn anterior cruciate ligament.

• Steve Emtman, the NFL's top overall draft pick five years ago, has agreed to contract terms with the San Francisco 49ers. Emtman, a free-agent defensive tackle waived in February by the Miami Dolphins in a salary cap move, agreed to a one-year contract with an option for a second year.

• Kendrick Burton, a defensive lineman, has been suspended by the NFL and will miss the Tennessee Oilers' first season after violating the league's drug policy.



Patrick Harling/Agence France-Presse

The Tennessee Oilers' quarterback, Steve McNair, left, and his backup, Ritchey James, loosening up in Nashville.

PEDALING FOR GLORY

International Herald Tribune editor Samuel Abt has been writing about bicycle racing for two decades. In his new book, he covers the 1996 pro bicycle racing season – one of the most dramatic in history. From the ice and snow of the early races in March to the sweltering heat at the Summer Olympics, the book follows the races and the racers in what Greg LeMond once described as the toughest job in the world.

Pedaling for Glory (US$14.95) can be ordered through quality bookstores everywhere or from:

Motorbooks International, POB 1,
Osceola, Wisconsin, USA 54020.

THIS WEEK ON EUROSPORT

The Tour de France comes down from the Alps and starts the long journey back to Paris; who will be wearing the yellow jersey as the riders embark on their final push up the Champs-Elysées.

Cycling:
21 - 27 July, LIVE,
The Tour de France
The tour passes from Courchevel in the Alps, through Dijon and heads back to the finish in Paris

Football:
25 July, LIVE,
Strasbourg v Arsenal
Arsene Wenger's new look Arsenal side travel to France to take on Strasbourg as both sides prepare for the start of the season

Indy car:
27 July, LIVE,
PPG CART World Series,
The US 500, Michigan
Jimmy Vasser set pole position with an average lap speed of 234.6 mph last year on the fastest circuit in the series

Golf:
26 - 27 July, LIVE,
The WPG European Tour,
The German Open
Laura Davies heads the field as the eighth leg of the tour comes from Hamburg



Eurosport, the No 1 sports TV channel for Europe, covering the best action from Europe and around the world, is available via cable and satellite.

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TOMORROW: STYLE

Herald International Tribune
SPORTS

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WORLD ROUNDUP

Saved by the Rain

CRICKET Rain saved Pakistan on Sunday when its Asian Cup match against India in Colombo had to be abandoned as a no-result after nine overs with Pakistan on 30 runs for 5 wickets. *(Reuters)*

Kashima Wins Title

SOCCER Forward Mazinho's goal gave the defending J-League champion Kashima Antlers a 1-0 victory at Cerezo Osaka and let them clinch the title for the first half of the current season.

• Athletic Bilbao has paid 2 billion pesetas ($13.5 million) for Roberto Rios, Spanish newspapers reported Sunday. The transfer is the biggest ever involving a Spanish player. *(Reuters)*

Police Kill College Star

FOOTBALL Terry Smith, Clemson University's career receiving leader, was shot and killed by policemen who found him attacking his estranged wife with a kitchen knife, authorities said Saturday.

Smith, 26, who led Clemson in receiving from 1990 to 1993, had kicked in the door of Angela Smith's home when DeKalb County, Georgia, officers arrived shortly before 7 P.M. Friday and saw the knife-wielding Smith holding the woman, with their 2-year-old daughter sandwiched between them.

Officers told Smith to drop the knife, but he refused, shouting "Kill me! kill me!" the police report said.

The patrol supervisor fired a single round to stop the attack. That shot failed to stop Smith and two other officers fired their weapons, the report said.

Smith was fatally wounded.

Angela Smith, 24, sustained multiple stab wounds as well as a gunshot wound in the arm. She was hospitalized in stable condition.

The 2-year-old, whose name was withheld, had a gunshot wound and also was listed in stable condition, police said.

A month ago, the police arrested Smith for spitting on his wife and harassing her by phone after she filed for divorce. *(AP)*

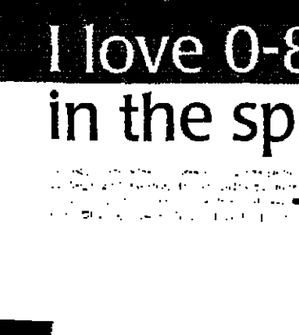
Two Races for Germany

FORMULA ONE Germany will continue to hold two Grand Prix events each year until 2001, Formula One chief's, Max Mosley, said Sunday.

Hockenheim holds the German Grand Prix. This year the Nurburgring will stage the Luxembourg Grand Prix, previously called the European Grand Prix.

Under Formula One rules no country can stage two Grand Prix races, hence the Nurburgring event's nominal allegiance to neighboring Luxembourg.

German authorities have given permission for teams to display tobacco advertising at Nurburgring but not at Hockenheim. *(AFP)*



WINNING SMILE — Alex Corretja celebrating a victory Sunday in Stuttgart. Page 18.

Leonard Surges Past Fading Swede to Win Open

Texan Shoots Final-Round 65 As Parnevik Finishes 2d Again

By Ian Thomsen
International Herald Tribune

TROON, Scotland — In the year of Tiger Woods, in a month when the most charismatic players were playing their best, on a day that started with the planet's most eccentric golfer leading by a couple of strokes, the 126th British Open wound up in the hands of an average Texan named Justin Leonard — the anti-Tiger.

The 25-year-old Leonard is neither long off the tee nor charismatic nor eccentric, and he has a way of sounding humble that could put an audience to

BRITISH OPEN

sleep. But everything he is not has been trammeled and supplanted by everything he was Sunday afternoon as the perfect gentleman added himself to the list of five consecutive Americans to have won Opens at Royal Troon. He shot a 6-under par 65 to finish at 12-under par 272, three strokes ahead of the final pairing of Jesper Parnevik and Darren Clarke.

Leonard equaled the biggest final-day comeback in British Open history. He began the day five strokes behind Parnevik, the eccentric Swede who twice in four years has lost British Opens in the closing holes. Leonard barged in on the leaders with birdies on three of the first four holes, and when he finished the front side in 5-under 31, he was just a stroke behind Parnevik.

All day Parnevik wavered between 11-under and 12-under. When Leonard lost a stroke at No. 10 — his second and last bogey of the day — he was two strokes behind Parnevik. At 13, Parnevik missed a body-length putt for par, and now the pieces were arranged: the Swede in his baseball cap with the upturned bill, the tight pants and the wisdom of new-age science at 11-under; the Texan who looks like he carries a Filofax in his golf bag at 10-under with four holes to play: and everyone else out of holes and hope.

Clarke of Northern Ireland had double-bogeyed the second to drop to 8-under, picking up where he left off from his disastrous back nine Saturday. Nothing more from him was heard until the 18th, which he birdied to catch the plummeting Parnevik in a tie for second.

Leonard saved par with putts of 10 feet at No. 11 and 15 feet at No. 15. At 16, a long par-5, Leonard entered the higher realm after a couple of disappointing shots left him 16 feet from a birdie. "Everyone in this room could get that shot closer than I did," he told a tentful of reporters. On the course, uncharacteristically steamed, he turned to his caddy and said, "I'm going to sink this one." Of the roar that attaches itself to lead-tying putts at British Opens, he said, "That's when the hair on my neck stood up."

He took the lead outright at 12-under with a 30-foot birdie at 17. Moments later, one hole behind, Parnevik could not respond with a 4-footer for birdie. It drew a short frown as it turned slightly along the lip of the cup.

All week Parnevik had been saying that he had benefited from his experience of the Open in 1994, when he failed to look at the leader board, thought he needed to birdie 18 when a par would have done and bogeyed it to lose outright to Nick Price. On Sunday he pulled his approach to the 17th green, a long par-3, and missed a 15-foot par putt. Needing an eagle, he bogeyed the 18th.

"This one hurts a lot more than Turnberry," said the 32-year-old Parnevik, who is known as something of an absent-minded professor. "Today I think the pressure was just a little bit too much."

As a teenager, Leonard's nickname was "Jasper," which was meant as a put-down by his friends and which might seem the cruelest irony to Parnevik. Leonard grew up in Dallas playing with his grandmother's clubs, writing school essays about Jack Nicklaus, Arnold Palmer and Gary Player and refusing to play by anybody's strategy but his own. Never a long hitter, he nonetheless refused until recently to use metal woods, believing that persimmon gave him better control.

BRITISH OPEN

Final results of 126th British Open on 7,079 yard, par-71 Royal Troon Golf Club course:

Justin Leonard, U.S.	69-66-72-65—272
Darren Clarke, Britain	67-66-71-71—275
Jesper Parnevik, Sweden	70-66-66-73—275
Jim Furyk, U.S.	67-72-70-70—279
Stephen Ames, Trinidad	74-69-66-71—280
Padraig Harrington, Ireland	75-69-69-67—280
Eduardo Romero, Argentina	74-68-67-72—281
Fred Couples, U.S.	69-68-70-74—281
Peter O'Malley, Australia	73-70-70-68—281
Robert Allenby, Australia	76-68-66-72—282
Lee Westwood, Britain	73-70-67-72—282
Ernie Els, South Africa	75-69-69-69—282
Tom Watson, U.S.	71-70-70-71—282
Retief Goosen, South Africa	75-69-70-68—282
Tom Kite, U.S.	72-67-74-69—282
Frank Nobilo, New Zealand	74-72-68-68—282
Mark Calcavecchia, U.S.	74-67-72-69—282
Shigeki Maruyama, Japan	74-69-70-69—282
Davis Love III, U.S.	70-71-74-67—282
Brad Faxon, U.S.	77-67-72-67—283
Mark James, Britain	76-67-70-70—283
Stuart Appleby, Australia	72-72-68-71—283
Jose Maria Olazabal, Spain	75-68-73-67—283
Tom Lehman, U.S.	74-72-72-66—284
Jay Haas, U.S.	71-70-73-70—284
Colin Montgomerie, Britain	76-69-69-70—284
Phil Mickelson, U.S.	76-68-69-71—284
Ian Woosnam, Britain	71-73-69-71—284
David A. Russell, Britain	75-72-68-69—284
Tiger Woods, U.S.	72-74-64-74—284
Peter Lonard, U.S.	72-70-69-73—284
Mark McNulty, Zimbabwe	78-67-72-68—285
Jonathan Lomas, Britain	72-71-69-74—286
Rodger Davis, Australia	73-73-70-70—286
David Duval, U.S.	73-69-73-71—286
Andrew Magee, U.S.	70-75-72-70—287
Greg Norman, Australia	69-73-70-75—287
Vijay Singh, Fiji	77-69-70-72—288
Bernhard Langer, Germany	72-74-69-73—288
Mark O'Meara, U.S.	73-73-74-68—288
John Kernohan, U.S.	76-70-74-68—288
Raymond Russell, Britain	72-72-74-70—288
Michael Bradley, U.S.	72-73-73-70—288
Jose Caceres, Argentina	76-70-71-72—289
Curtis Strange, U.S.	71-71-70-77—289
Jerry Kelly, U.S.	76-68-72-73—289
David Tapping, Britain	71-66-78-74—289
Steve Jones, U.S.	76-71-68-75—290
Jim Payne, U.S.	74-71-74-71—290
Richard Boxall, Britain	75-71-72-72—290
Corey Pavin, U.S.	78-69-76-68—291
Peter Mitchell, Britain	75-69-76-71—291
Wayne Riley, Australia	74-71-75-71—291
Jeff Maggert, U.S.	76-69-71-75—291
Nick Faldo, Britain	71-73-75-72—291
Peter Senior, Australia	76-70-73-72—291
Greg Turner, New Zealand	76-71-72-72—291
Angel Cabrera, Argentina	70-70-76-75—291
Payne Stewart, U.S.	73-74-71-74—292
Jack Nicklaus, U.S.	73-74-71-75—293
a-D. Barclay Howard, Britain	70-74-76-73—293
Tom Purtzer, U.S.	72-71-73-78—294
Steve Stricker, U.S.	72-73-74-75—294
Peter Teravainen, U.S.	74-72-73-75—294
Jamie Spence, Britain	78-69-72-75—294
Paul McGinley, Ireland	76-71-77-71—295
Per-Ulrik Johansson, Sweden	72-75-73-75—295
Tommy Tolles, U.S.	77-68-75-76—296
Gary Clark, Britain	74-72-72-78—296
Billy Andrade, U.S.	72-72-78-76—298
a-amateur	



Kevin Lamarque/Reuters

Jesper Parnevik hitting out of a bunker Sunday in the British Open's final round. He finished the day with a 2-over-par 73 to share second place.

Woods Falters After Record

By Ian Thomsen
International Herald Tribune

TROON, Scotland — Tiger Woods had played himself onto the distant bottom of the leaderboard Saturday with the low round of the tournament, a 64 that was his only round under par, but despite great anticipation he failed to start fast on Sunday.

He was 5-under for the tournament when he took two from a bunker and three putts to triple-bogey the shortest hole of any current British Open course, the 126-yard eighth. He wound up with 74 to finish even at 284 — his first British Open as a professional undone by a pair of triple-bogeys and a quadruple 8.

In his third round 7-under par 64, which vaulted him past 41 players, Woods only hit six fairways while equaling the low score for an Open at Royal Troon set by Greg Norman in 1989, when the course was par 72.

At Nos. 16 and 17 the British realized firsthand what all of the Tiger hullabaloo has been about. At 16, he laid up with a 2-iron and then ran a driver onto the green more than 280 yards away, leading to the first eagle the hole had seen. At 17 he missed the green, but he lined up the chip the way other players line up putts. It was clear that he was trying to sink it, and sink it he did, throwing an uppercut in the air as he hopped up the hill afterward.

That round wasn't like those he played at the Masters this year — he was in and out of trouble all day, and he didn't dominate the old course so much as he seemed to outwit it. He couldn't build on it Sunday, but someday he is going to get the hang of links courses.

"I have always been determined to win a British Open," he said. "It's the one with the most tradition. It would mean a lot to me."

Virenque Storms Alps, With Ullrich at His Heels

By Samuel Abt
International Herald Tribune

COURCHEVEL, France— After a long week of second and third places, Richard Virenque finally cruised over a Tour de France finish line Sunday with a finger pointing to the sky.

Numero Uno at last! Thousands of French fans atop a mountain overlooking the ski resort of Courchevel burst into applause and howls. Virenque, their

TOUR DE FRANCE

compatriot and darling, rode a supremely strong race over the 148 kilometers (92 miles) from Le Bourg d'Oisans, crossing each of three mountains first.

But he might as well have raised two fingers, since all he did with his victory was consolidate his standing in second place overall in this 84th Tour. Right behind him, where he had been for many, many kilometers, was Jan Ullrich, the man in the yellow jersey of the race leader.

Despite repeated attacks and a well-orchestrated blitzkrieg by his Festina teammates, Virenque was never able to open a lead bigger than 1 minute, 55 seconds over his rival. When they finally passed across the finish line, that margin was down to zero.

"We did everything today to explode the race," Virenque said. "During the last five kilometers, I really pushed it to gain time on the field but I knew that I wouldn't be able to lose Ullrich."

The German, who rides for Telekom, looked untroubled as he rode along.

So, as the Tour entered the last of its three weeks, Ullrich retained his lead of 6 minutes 22 seconds and looked more than ever like a certain winner, barring illness and accident. Virenque also looked like a certain runner-up since he holds a lead of nearly five minutes over the rider in third place, Bjarne Riis, a Dane with Telekom who is the defending champion.

Virenque said that during the final kilometers he asked Ullrich to take a turn at the front and let them both pull away from their chasers by combining their strength.

"He said he wouldn't because he wanted to protect Riis," Ullrich's teammate, who was more than a minute behind, Virenque reported, sounding astonished by the display of loyalty. Riis finished fifth, 1:24 behind and moved from fourth place overall to third.

He replaced Marco Pantani, an Italian with Mercatone Uno, who easily won the prestigious mountain stage to Alpe d'Huez on Saturday but had little left in his legs Sunday.

Virenque and Ullrich were both timed in 4:34.16, an average of 32.3 kilometers (20 miles per hour). That pace was so swift that only 63 men finished within the allowable time, which is based on a 12 percent margin beyond the winner's clocking.

Showing mercy after the riders spent two days last week in the Pyrenees, followed by an uphill time trial and then the first two of three days in the Alps, the race's judges extended the time differential to 14 percent. That translated to more than 38 minutes behind Virenque instead of 33 and kept in the race the huge packet of riders who finished together nearly 37 minutes behind him.

In the end, six riders were eliminated and nine either did not start or quit en route, reducing the field of 198 who started the Tour on July 5 to 156.

Virenque and his Festina collaborators attacked on the first climb, up to the Glandon Pass, 22 kilometers long with a grade of 5.2 percent. Ullrich, who was without teammates to shelter and assist him, stayed with his opponents but then began losing time.

Wisely, he slowed and awaited reinforcements. By the time they arrived, he was 1:55 behind. Riis, Georg Totschnig and Udo Bolts did extraordinary work to narrow the gap, which began coming down on the second climb, the Madeleine Pass, 21 kilometers long with a grade of 7.6 percent. On the ascent, Riis worked bravely alone for Ullrich and was matched by Laurent Dufaux, who was leading his teammate Virenque. Both pacesetters began to fade on the last climb to Courchevel, 21 kilometers long with a grade of 6.3 percent.

While tens of thousands watched in sunny and warm weather, Virenque attacked three times, leaving behind everybody in the five-man group of leaders but Ullrich. The Frenchman kept looking over at the man in the yellow jersey, trying to discern a weakness or sign of failing power.

There was none.

The German stayed with Virenque all the way up, attacking once and then subsiding when his opponent quickly caught him. In the final straightaway to the line, Ullrich never made a move to overtake.

His message was clear: He can counter any attack and will not allow the man in second place to come any closer. Winning the Tour de France, he was saying, is far more important than winning the battle to Courchevel.

TOUR DE FRANCE

Results Saturday Tour de France, 13th stage time from St. Etienne to l'Alpe d'Huez, 204 kilometers (126.8 miles):

1. Marco Pantani, Mercatone Uno, Italy, 5 hours, 2 m., 42 s.; 2. Jan Ullrich, Germany, Telekom, at 47 s.; 3. Richard Virenque, France, Festina, 1:27; 4. Francesco Casagrande, Italy, Saeco, 2:27; 5. Bjarne Riis, Denmark, Telekom, 2:28; 6. Beat Zberg, Switzerland, Mercatone Uno, 2:59; 7. Udo Bolts, Germany, Telekom, 2:59; 8. Roberto Conti, Italy, Mercatone Uno, 2:59; 9. Laurent Madouas, France, Lotto, 2:59; 10. Laurent Jalabert, France, ONCE, 3:22.

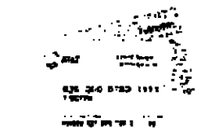
Results Sunday Tour de France, 14th stage from Bourg d'Oisans to Courchevel, 148 kilometers (91.9 miles):

1. Virenque, 4 h. 34 m. 16 s.; 2. Ullrich, same time; 3. Fernando Escartin, Spain, Kelme, at 47 s.; 4. Laurent Dufaux, Switzerland, Festina, 1:19; 5. Riis, 1:24; 6. Pantani, 3:06; 7. Casagrande, 3:36; 8. Jose Maria Jimenez, Spain, Banesto, 3:58; 9. Abraham Olano, Spain, Banesto, 3:58; 10. Conti, 4:41; 11. Peter Luttenberger, Austria, Rabobank, 7:13; 12. Pascal Lino, France, Big Mat, 8:01; 13 Herman Buenano, Colombia, Kelme, 10:25; 14. Beat Zberg, Switzerland, Mercatone Uno, 10:58; 15 Udo Bolts, Germany, Telekom, 10:58.

OVERALL: 1. Ullrich, 71:00:26; 2. Virenque, at 6:22; 3. Riis, 11:06; 4. Pantani, 11:30; 5. Olano, 14:28; 6. Escartin, 15:23; 7. Casagrande, 16:32; 8. Dufaux, 20:05; 9. Jimenez, 18:32; 10. Conti, 25:29; 10. Roberto Conti, Italy, Mercatone Uno, 25:29; 11. Peter Luttenberger, Austria, Rabobank, 27:00; 12. Oscar Camenzind, Switzerland, Mapei, 28:09; 13. Beat Zberg, Switzerland, Mercatone Uno, 30:57; 14. Marco Fincato, Italy, Roslotto, 38:22; 15. Pascal Lino, France, Big Mat, 39:36.



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